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PUBLIC WORKSHOP  
STATE OF CALIFORNIA  
INTEGRATED WASTE MANAGEMENT BOARD  
SPECIAL WASTE COMMITTEE

JOE SERNA, JR., CALEPA BUILDING  
1001 I STREET  
2ND FLOOR  
COASTAL HEARING ROOM  
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Ms. Cheryl Peace, Chairperson

Mr. Carl Washington

BOARD MEMBERS

Ms. Rosario Marin

Ms. Rosalie Mul

STAFF

Mr. Jim Lee, Deputy Director

Mr. Mitch Delmage, Manager, Waste Tire Diversion

Mr. Keith Cambridge

Mr. Bob Fujii, Supervisor, Waste Tire Management

Mr. Nate Gauff

Mr. Frank Simpson, Supervisor, Waste Tire Diversion

Ms. Georgianne Turner, Supervisor, Tire Facility  
Permitting and Hauler Registration

ALSO PRESENT

Mr. Ron Allevato, Turboscape

Mr. Michael Blumenthal, Rubber Manufacturers Association

Mr. Tom Faust, Redwood Rubber

Mr. Terry Leveille, TL & Associates

Mr. Scott Smithline, Californians Against Waste

Mr. Barry Takallou, Crumb Rubber Manufacturers

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INDEX

PAGE

Opening Remarks from the Committee	1
Overview of Waste Tire Management Program	3
Presentation to the Following Program Elements	
Cleanup, Abatement, or Other Remedial Action Related to Tire Stockpiles Throughout the State of California Activities	8
Waste and Used Tire Hauler Program and Manifest System Activities	28
Enforcement and Regulations Related to the Storage of Waste and Used Tires Activities	49
Presentation of Revisions to the Following Program Elements:	
Research Directed at Promoting and Developing Alternatives to the Landfill Disposal of Tires	72
Market Development and New Technology Activities for Waste and Used Tires	113
Closing remarks from the Committee	177
Adjournment	178
Reporter's Certificate	179

1 PROCEEDINGS

2 CHAIRPERSON PEACE: Good morning. Is this on?

3 Good morning, and welcome to the Board's  
4 Five-Year Tire Plan Workshop.

5 Thank you, Chair Marin, Board Members Mulé for  
6 joining -- Carl Washington to meet here today.

7 This is the final public workshop. So speak now  
8 or forever, at least for two more years, hold your peace.

9 The tire staff has been very busy trying to  
10 incorporate and balance your input and that of the Special  
11 Waste Committee members and that of the other Board  
12 members as well.

13 I would like to extend a special thanks to Sally  
14 French and Mitch Delmage as well as all the Special Waste  
15 staff on this effort. They have been working extremely  
16 hard on this for close to a year already.

17 And thank to all of you for taking your time to  
18 speak to us directly about the issues that are important  
19 to you. We know your time the valuable.

20 We look forward to your input here today. And  
21 even though we encourage you to speak on as many topics  
22 and elements you wish, we would ask that you please limit  
23 your speeches to five minutes on each topic.

24 Please remember that even though the development  
25 of this plan is in its final stages, it is still a work in

1 progress. Nothing is absolutely set in stone yet. All of  
2 your reviews and ideas are important to us and will  
3 influence the final outcome of this plan. Again, this is  
4 our last planned public workshop.

5           Staff will bring the finalized five-year tire  
6 plan to the full Board for approval in May. And I have to  
7 tell you, I spent a lot of time going over this plan. And  
8 there are still things I would like to see addressed  
9 ranging from minor changes in the executive summary to a  
10 major revamp of the performance measures.

11           These things probably aren't of interest to most  
12 of you stakeholders here today. So instead of going  
13 through that exercise now, if there is no objection, I  
14 would like to direct staff to work with me and the Chair's  
15 office and any other offices of Board members who would  
16 like to be involved to re-examine everything from the  
17 executive summary to the goals and objectives and to the  
18 performance measures to see if we can make them more  
19 meaningful and direct and to eliminate all of the  
20 redundancy in this report. We could probably take off 25,  
21 30 pages I think of this thing if we could just eliminate  
22 the redundancy.

23           So with that said I guess we are ready to get  
24 into the meat of this plan. So let's get started.

25           DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

1 And good morning, Board members. My name is Jim Lee. I'm  
2 with the Special Waste Division.

3 (Thereupon an overhead presentation was  
4 Presented as follows.)

5 DEPUTY DIRECTOR LEE: Staff's goal today is to  
6 present to the Committee and interested stakeholders a  
7 draft of the revised five-year tire plan. Compared to  
8 earlier versions of the plan, this revision has more of a  
9 market development emphasis in general and a RAC and civil  
10 engineering focus in particular.

11 At the January workshops, staff presented an  
12 abridged document containing only some draft budget  
13 proposals for the program elements which make up the  
14 five-year plan. These elements are remediation,  
15 enforcement, research, market development, and the hauler  
16 registration manifest program.

17 Among other things, the information presented by  
18 staff at the time represented consideration of comment  
19 received from the public at an earlier workshop and input  
20 and direction from Board members to receive in their  
21 consideration of various agenda items brought forward to  
22 implement the current five-year plan.

23 The document that you before you today is what  
24 staff considers to be an unabridged document containing  
25 all of the required budget and plan descriptions

1 stipulated in statute.

2           Budgets for most program elements have not  
3 changed significantly from those presented at the January  
4 workshop.

5           However, in contrast to the earlier report, we  
6 have added specific information on the budget for the  
7 hauler manifest program. This program and the costs  
8 associated with it have come into clearer focus with the  
9 Board's action in February approving significant revisions  
10 and emphasis on electronic data transmission and web-based  
11 reporting.

12           We have also provided additional descriptions and  
13 refined budgets for several market development initiatives  
14 designed to stimulate demand for various recycled rubber  
15 products.

16           The document you have before you today also  
17 contains a discussion of performance measures for the  
18 various elements as required by statute. Although staff  
19 has made revisions to some and eliminated others that have  
20 been completed or complied with, these measures are  
21 influenced by and in large part reflective of previous  
22 Board direction. As such, staff is cognizant that the  
23 performance measured as a whole may not reflect the  
24 thinking of the current Board, and we welcome your input  
25 in this area.

1           Also on the subject of performance measures,  
2 we've include as Appendix B of the report a discussion of  
3 accomplishments based on performance measures from the  
4 July 2003 revision of the five-year plan. In the  
5 interests of time, we do not propose to review these in  
6 detail with you today. But I would like to recap what I  
7 consider to be the most significant accomplishments over  
8 this time period.

9           In the area of remediation, the Board completed  
10 the work on the Wesley burn site and completed the removal  
11 of all identified hazardous waste from the Tracy burn  
12 site.

13           The Board also approved precedent-setting action,  
14 setting forth a provision for negotiated cost recovery and  
15 other parameters for the cleanup of the Sonoma waste tire  
16 sites, the largest remaining tire piles in the state.

17           In the area of enforcement, the Board has  
18 followed legislative direction and approved the expansion  
19 of and stable funding for the local jurisdiction  
20 enforcement program. A significant increase in  
21 inspections, enforcement actions and tire pile cleanup has  
22 been the result.

23           In the hauler registration and manifest program,  
24 the Board recently approved significant revisions to the  
25 manifest program to move from a paper-based system to one

1 with reliance on electronic data transmittal or web-based  
2 reporting, which will significantly reduce staff time and  
3 program costs and the burden of compliance by the  
4 regulated community.

5 In the area of research, we completed studies of  
6 a variety of processes including devulcanization and  
7 recycled content and tires, among others.

8 In the area of market development, we took  
9 notable strides in increasing funding support for RAC and  
10 in civil engineering projects, which offer the most  
11 promise for cost-effective utilization of large numbers of  
12 waste tires. Staff proposes to significantly expand upon  
13 these initiatives in the proposed revision in the plan.

14 With regard to the format for today's discussion,  
15 I will be asking staff to present each of the elements in  
16 the five-year plan, including descriptions of the budgeted  
17 line items and discussion of performance measures.

18 Unlike the earlier workshop, today we would like  
19 to propose to take Board and stakeholder input at the  
20 conclusion of the discussion on each element instead of  
21 waiting for the complete staff presentation on the entire  
22 plan.

23 With that introduction and overview, Madam Chair,  
24 I would like to ask if there are any questions or comments  
25 that you or the other Board members might have before we

1 proceed?

2 CHAIRPERSON PEACE: Any questions?

3 We're ready to begin.

4 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

5 I'd now like to turn this over to Mitch Delmage  
6 to coordinate the remainder of the staff presentation.

7 WASTE TIRE DIVERSION MANAGER DELMAGE: Good  
8 morning. This is Mitch Delmage with the Special Waste  
9 Division and Waste Tire Program. Good morning, Madam  
10 Chairs and Board members.

11 Today on our agenda, as Mr. Lee said, we'll be  
12 going over the five elements. I'd just like to go over  
13 the order. It doesn't follow the order in the five-year  
14 plan. But we've decided to see if we can get through the  
15 morning as quickly as possible. We believe that most of  
16 our questions and comments will be in the research and  
17 market area, so we want to save enough time for those  
18 issues.

19 So we'll be beginning with cleanup, abatement and  
20 remediation; then move to the waste tire hauler and  
21 manifest program activities; enforcement and regulation  
22 would be next; then we would propose our lunch break,  
23 unless we're moving along quickly; and then we would go  
24 into the research and finally end up with market.

25 So with that said, I'd like to thank everybody

1 for coming. I'd also like to let the Board members know  
2 that we've had very positive and very fruitful  
3 interactions with many of the stakeholders. They over the  
4 course of this process have enlightened many of us and  
5 given us good ideas. And the Board members and their  
6 advisors have also been very helpful in helping us to  
7 develop this plan.

8 That being said, we'd like to start with Bob  
9 Fujii.

10 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Good  
11 morning, Madam Chair and members of the Board. Bob Fujii,  
12 Special Waste Division.

13 In this section I'll be summarizing for you the  
14 program elements for the Board's cleanup, abatement and  
15 other remediation action plan.

16 --o0o--

17 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Let me  
18 start with a table that's up there on the screen so you  
19 can kind of follow along with me. Let's start with  
20 remediation staff line item.

21 Currently the Remediation Program staff consists  
22 of five and a third positions and is funded at \$892,292.  
23 We're anticipating that there will be a decrease in effort  
24 with our cleanup program over the next several years. And  
25 so we're proposing that beginning in 2007-2008 half a

1 position will be shifted to the Tire Program Market  
2 Development Section to manage increased market activities.  
3 And then we'll decrease the funding in this section to  
4 \$828,656 beginning in 2007-2008 and then proceeding for  
5 the next several fiscal years after that.

6           The next line item is the Long-Term Remediation  
7 Projects line item. In the plan staff is proposing to  
8 complete the remediation of the Tracy tire fire site,  
9 which is the only remaining tire fire site of the two that  
10 we started with. And Jim mentioned in his opening remarks  
11 the Wesley tire fire site is completed.

12           We anticipate that this project should be  
13 complete, at least the field activities, hopefully by the  
14 end of 2006, but may run into the next fiscal year. Based  
15 on current estimates, an additional five million will be  
16 needed to complete the Tracy remediation project.  
17 Therefore, we are proposing that four million be allocated  
18 in fiscal year 2005-2006 and then an additional million in  
19 fiscal year 2006-2007.

20           The next item is Short-Term Remediation Project.  
21 Staff is proposing in the plan to remediate all currently  
22 identified short-term remediation sites like those located  
23 in Sonoma County as well as others within the next three  
24 years. But, you know, due to our enforcement efforts, the  
25 cleanup of illegal waste tire sites is an ongoing process.

1 We're always identifying new sites to be cleaned up.

2 Therefore, we're proposing that this program be funded at  
3 1.5 million over the next five fiscal years.

4           Next line item, Local Government Waste Tire  
5 Cleanup Grant Program. In the proposed plan we are  
6 proposing to continue the current \$1 million funding level  
7 in this grant program, which has been relatively  
8 successful in remediating the smaller tire piles before  
9 the growth of larger tire piles through illegal dumping.  
10 Participation in the local government waste tire cleanup  
11 grant program has increased over the past several fiscal  
12 years to the current \$1 million funding level. Therefore,  
13 we're proposing that this program be funded at a million  
14 dollars over the next five fiscal years.

15           Next line item is the Local Government Amnesty  
16 Grant Program. This program is intended to develop  
17 education programs providing information on proper waste  
18 tires disposal and tire care to local governments and will  
19 also allow the public to transport waste tires that have  
20 accumulated on the properties to local government  
21 sponsored amnesty day events for proper disposal.

22           Participation in this program has increased over  
23 the past several fiscal years to the current \$1 million  
24 funding level. And then we are -- therefore we're  
25 proposing that the funding for this program be a million

1 dollars over the next five fiscal years.

2 CHAIRPERSON PEACE: The last -- excuse me.

3 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Sorry.

4 CHAIRPERSON PEACE: Excuse me. On your last  
5 go-around you only had -- seemed like we only had --  
6 seemed like we only had 22 applicants for a total of  
7 \$700,000.

8 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Is that  
9 right?

10 DEPUTY DIRECTOR LEE: Yes, Madam Chair.

11 CHAIRPERSON PEACE: Yeah, we didn't get to the  
12 million dollars because you said we had 25 percent match.

13 WASTE TIRE DIVERSION MANAGER DELMAGE: Yes. Two  
14 years ago we had a 50-percent match. And, you know, that  
15 really slowed things up. We went to no match and then  
16 were oversubscribed by quite a bit. So we dialed it back  
17 to 25, and we got just 200,000 over what we had allotted.  
18 So we still were oversubscribed at 25 percent, but didn't  
19 make it up to a million.

20 I believe that if we have no match, we can get to  
21 a million quite easily. And the other part of that is  
22 we'd like to use this grant program to work in conjunction  
23 with some other grant programs to leverage that money.

24 CHAIRPERSON PEACE: Okay. Thank you.

25 So you think the million dollars is where you

1 want to stay with that one?

2 WASTE TIRE DIVERSION MANAGER DELMAGE: Excuse me?

3 CHAIRPERSON PEACE: The million dollars is where  
4 you want to say with that?

5 WASTE TIRE DIVERSION MANAGER DELMAGE: (Nods  
6 head.)

7 BOARD CHAIRPERSON MARIN: I have a question  
8 regarding -- why would a local jurisdiction apply for an  
9 amnesty day program when they can get the cleanup grant  
10 program? Why won't we combine those?

11 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: You  
12 know, actually Mitch had made a comment that just about --  
13 just a few seconds ago that we were anticipating trying to  
14 combine some of these efforts. But I guess the long and  
15 short of it is that the Waste Tire Cleanup Grant Program  
16 is focused on specific sites and the amnesty day deals  
17 mostly with the people who have just a few tires on their  
18 properties and then get an opportunity to bring those  
19 tires to a central location rather than having them dumped  
20 illegally or put them in their garbage can or whatever  
21 they might do with them.

22 So they're a little bit different in their focus.  
23 But we definitely see the need to combine some of the  
24 application process and maybe some of the outreach effort  
25 that we do on both those programs to make that maybe a

1 little more clear.

2 BOARD CHAIRPERSON MARIN: Right. But, you know,  
3 I'm a council member, I'm a mayor of a city. I'm saying,  
4 you know what, we are going to clean up -- there's some  
5 piles here. But because we're going to clean that pile of  
6 tires, why don't we just go and call everybody that has a  
7 tire in their garage so that they can do it? Wouldn't it  
8 be cheaper and faster for an entity to combine the two and  
9 actually would probably end up getting a lot more tires  
10 out there?

11 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Well,  
12 yeah. And I think the amnesty days have been fairly  
13 successful in doing that. However, we do have some of the  
14 sites that were created illegally by folks that we don't  
15 really want them to do that. I mean they got money for  
16 dumping tires on their property -- or, you know, disposing  
17 of tires illegally versus a homeowner or a landowner who  
18 was illegally dumped on by somebody else. Or just through  
19 whatever process, accumulated some tires over time, and  
20 we're giving them an opportunity through an amnesty day to  
21 find a proper disposal method for those tires.

22 So a little bit different situation. If we were  
23 approached by local governments for specific clean-ups, we  
24 could do a couple of things: We could offer them local  
25 government cleanup grants; or if the -- you know, through

1 our enforcement program and cleanup program could be a  
2 situation where we'd go after an illegal disposer who  
3 owns -- you know, half of those tires are what created the  
4 pile, we'd go after them if they brought that to our  
5 attention.

6 So just a little bit different way of going after  
7 them.

8 BOARD CHAIRPERSON MARIN: Okay. Well, I may have  
9 a little more questions. But I will deal with this later  
10 on. Because I would actually -- I know that this is a  
11 very good program, that the locale will really appreciate  
12 it, you know. I appreciate -- I understand that.

13 But I'm wondering, you know, are we in a way  
14 suggesting that, because there's going to be this grant,  
15 that it's not really an incentive for regular people?  
16 Because we know that the amnesty day is coming, so I'm  
17 just going to wait or, you know, maybe next year they will  
18 have it at that point in time. So that there's got to be  
19 both an incentive to do the right thing and dispose  
20 properly, you know, not just wait until the amnesty day.

21 I'd have to think more about that. But I know  
22 it's popular with the local jurisdictions. I just don't  
23 know that we're providing the incentive that they need to  
24 actually go out there. I don't know if the amnesty --  
25 it's a good thing -- I don't even know if we should call

1    them that.

2               But I understand what they're doing. Just if I  
3    put my hat as a mayor or a council member, I'm thinking I  
4    probably would get more bang for our money if I go out  
5    there and really clean the entire city of tires out of one  
6    project. To me it makes more sense. But I'm just going  
7    to reserve my comments for later on.

8               WASTE TIRE DIVERSION MANAGER DELMAGE: Madam  
9    Chair, if I might offer -- Mitch Delmage.

10              Just because they're separate line items doesn't  
11   prohibit us from running the programs together. And it's  
12   been our thinking that we would run them together with the  
13   enforcement grant. We haven't really come up with exactly  
14   how the pieces would fit. But we would be certainly glad  
15   to work with your office to look at that closer.

16              BOARD CHAIRPERSON MARIN: Okay.

17              WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Okay.  
18   Any other questions on that?

19              I'm going to move on then to the last several  
20   elements.

21              The Emergency Reserve Account is something that  
22   was created through SB 876 and requires that the Board  
23   create and maintain a \$1 million emergency reserve to  
24   respond to emergencies involving waste tires such as tire  
25   fires. Therefore, staff is just proposing -- proposing

1 that this element be funded for a million over the next  
2 five fiscal years.

3           The next line item is the Farm and Ranch Solid  
4 Waste Cleanup and Abatement Grant Program. And, again,  
5 this is a statutorily mandated program through SB 876. It  
6 requires the funds be allocated to pay for the cost of  
7 cleanup, abatement or other remedial actions related to  
8 disposal of used whole waste -- used whole tires. And in  
9 the past this program has been funded at \$333,000. And we  
10 will continue the funding for Fiscal Year '04-'05.  
11 However, due to the increase in grant requests, we are  
12 proposing that the funding for -- beginning in Fiscal Year  
13 '06-'07 be increased to 400,000 for the next four fiscal  
14 years.

15           This next line item is a proposal that's not been  
16 previously been funded. It's a new proposal. It's one  
17 that's been brought to our attention by the California  
18 Department of Health Services in cooperation with the  
19 Mosquito and Vector Control Association of California.  
20 And they're requesting funding to locate and map the  
21 location of small tire piles, and then coordinate this  
22 information with local enforcement agencies for follow-up  
23 actions through the course of doing their normal business  
24 which is vector control. They typically encounter lots of  
25 situations with accumulation of water. And one of these

1 situations of course is tires. And so they've asked that  
2 the Board consider funding their -- this activity in hopes  
3 that it would enhance our ability to identify and may  
4 clean up some of these tire piles that they find.

5 We proposing that this program be funded for two  
6 years at 125,000 per fiscal year beginning in Fiscal Year  
7 '05-'06.

8 CHAIRPERSON PEACE: Okay. I just have a question  
9 on that.

10 Still it looks like you're not quite sure how  
11 we're going to do -- I know with all the rain in the state  
12 especially down in southern California that they're  
13 already worried that the accumulation of water is going to  
14 explode the -- you know, the mosquito program, the West  
15 Nile Virus problem. And that the Department of Health  
16 Services and the Mosquito and Vector Control Agencies are  
17 going to be way underfunded to do the job that they need  
18 to do.

19 So for us to give them some money to do this, you  
20 know, is -- I'm okay with that. But when it comes, like I  
21 said before, performance measures, there were not any  
22 performance measures for that in here. And so we want to  
23 make sure how is the program working, is it performing,  
24 how many places did they find that we actually got cleaned  
25 up, how many places that were found that we wouldn't have

1 found on our own through other programs? So that is  
2 something that when we go through, I would like to see  
3 something with that happen.

4 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Okay.  
5 We'll make that happen.

6 BOARD CHAIRPERSON MARIN: And I actually would go  
7 one step further, Madam Chair, because I say that we  
8 would -- I would be willing to test it for one year, but  
9 not two years. I think that in one year we should know  
10 whether in fact -- because it is through the course of  
11 their own doing that they're going to figure out, oh,  
12 there's a tire pile, that then they're going to talk to  
13 the local jurisdiction or maybe come in and tell us, you  
14 know. But it's -- how many times have they come and told  
15 us already that there are -- or how many times have they  
16 done that already? They probably should have a record.

17 If it's in the course of the work that they're  
18 doing, they should probably have a record of how many tire  
19 piles have they actually found out. I'd like to know  
20 that, you know. If we're going to fund it, I'd like to  
21 know how exactly it is that they're going to do it, and  
22 what do they expect based on previous performance? If  
23 they said, you know, "We encounter on a daily basis --  
24 "When we go out there, we encounter tire piles," then I'm  
25 sure they have a record of how many tire piles they have

1 encountered in the past. So based on that, I can  
2 appreciate that it has escaped all of us in our system  
3 with all the incredible resources that we have -- that we  
4 have already spent, that it escaped us. But if they have  
5 come forth and they say, "Well, yeah, they didn't find it  
6 and nobody else had found it, but we found them," then  
7 maybe it would even increase it. You know, maybe 120,000  
8 is not enough. Maybe we should give them more.

9 But we are not going to give them more for  
10 something that they're already -- that they -- that's  
11 their job that they're supposed to be doing. So I would  
12 just -- I would -- I should have just said cut it to one  
13 year. And then we'd evaluate.

14 CHAIRPERSON PEACE: Okay. Well, I'm totally for  
15 an evaluation after a year. But how would we work that in  
16 the plan then if it was working, we decide to fund it  
17 again, if we took it out --

18 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Maybe  
19 what we could do is put it in for one fiscal year and then  
20 maybe propose an out-year funding subject to the  
21 evaluation after one year or something like that. Instead  
22 of trying to fund it over two consecutive fiscal years,  
23 perhaps do it this year, skip the next year pending the  
24 evaluation, and then propose funding it the following year  
25 after that. Just a suggestion.

1           BOARD CHAIRPERSON MARIN: You know what, Madam  
2 Chair. One other thing that -- as far as I'm concerned,  
3 we're going to be evaluating just on a yearly basis all of  
4 the program, not just one. It's not like just because we  
5 are giving \$4 million to one thing, that they're going to  
6 have it for the next ten years. We should not do that.  
7 It's every year we're going to make sure that the money's  
8 being spent, that there's an evaluation, that they're  
9 measuring up to their performance. And then if something  
10 is going wrong in one particular program, that that point  
11 in time we will be able to come in and deal with it.  
12 We're not going to wait five years to figure out that, "Oh  
13 for the last four years it hasn't really been performing."

14           So that's going to be across the Board as far as  
15 I'm concerned. That's why we set up the -- measures.

16           CHAIRPERSON PEACE: Sometimes you have to think  
17 about is the Department of Health Services stuff going to  
18 ramp up a program and develop a computer system and stuff  
19 to map all this stuff or are they going to -- is that  
20 going to be cost effective for them to do that just for  
21 one year?

22           BOARD CHAIRPERSON MARIN: Well, if I understand  
23 correctly, what they're saying is that in the course of  
24 the job that they are currently doing they would figure  
25 out the best -- they come across some of the things that

1 obviously has escaped us. I don't know that they're going  
2 to be doing something completely and totally different or  
3 extra.

4 CHAIRPERSON PEACE: Well, from what I was  
5 understanding, that they are going to be doing a extra  
6 couple steps.

7 WASTE TIRE DIVERSION MANAGER DELMAGE: Yes.  
8 They're be doing a couple extra things. One is that  
9 they'll be mapping the locations for us. And they'll also  
10 be working directly with local authorities to get them  
11 cleaned up.

12 BOARD CHAIRPERSON MARIN: Isn't that what they're  
13 supposed to be doing now?

14 WASTE TIRE DIVERSION MANAGER DELMAGE: They may  
15 or may not do it on everything. This gives them the extra  
16 encouragement.

17 He made a very good point earlier about that  
18 we're going to evaluate these programs each year. So if  
19 it is in their for two years, and even before May, if we  
20 can't bring forward to you a better description of what  
21 they're doing now and how severe of a problem it is and  
22 what value added they're giving us by may, then we can  
23 just cut it out. If we, you know, think that it's okay,  
24 we can go forward the first year. And if it's not panning  
25 out, we don't have to approve it the second year.

1           So I think it's a very point that each year we  
2 relook at these things and decide do we want to go  
3 forward.

4           CHAIRPERSON PEACE: Well, I did have some of the  
5 questions you did, Madam Chair. And I think, well,  
6 shouldn't they be doing this already? Isn't this part of  
7 their job that they should be doing it already?

8           And then I think another question I'd asked  
9 before in talking to Mitch was: Are they taking people  
10 then away from what they're doing already to look for  
11 small tire piles? And I was saying I hope that's not the  
12 case, because I have a drainage ditch behind my house, and  
13 every -- as soon as the weather gets warm and the sun goes  
14 down, we are attacked by mosquitos.

15          And then when I go to some friend's house here in  
16 Sacramento, they live downtown and we were having dinner  
17 out there one night, and all of a sudden that sun goes  
18 down and we are attacked by mosquitos. And I'm thinking  
19 if they can't find that big drainage ditch behind my house  
20 and what it's -- it's causing all those mosquitos to  
21 attack us at night in the middle of downtown Sacramento --  
22 and I really don't think they're caused by tire piles --  
23 that if they can't even find those, how are they going to  
24 have time with their limited resources to look for small  
25 tire piles. So I guess that's --

1           DEPUTY DIRECTOR LEE:  Madam Chair, we understand  
2 your concern and also the issues that Ms. Marin has  
3 brought up.  And we'd like the opportunity to kind of take  
4 this back under consideration and talk again with the  
5 mosquito people to see if we can find a point on, you  
6 know, their proposal and, you know, what exactly they can  
7 bring to the table in this particular area.

8           You know, I would note for the record though that  
9 the funding that we proposed here is a significant  
10 reduction from what has been done in the past.  Staff has  
11 worked with the mosquito people to really change their  
12 original proposal that was approved in the previous  
13 five-year plan from really a research-based effort to one  
14 that it does have a stronger inspection remediation  
15 emphasis.

16           CHAIRPERSON PEACE:  But those were some of my  
17 concerns after watching the news special a couple nights  
18 ago about how devastating the mosquito problem can be this  
19 year since they are -- they really can link in some way to  
20 tires, maybe it's not such a bad idea that we helped them  
21 out after this, you know, tremendous, you know, season  
22 we're having.

23           BOARD CHAIRPERSON MARIN:  The attack of the  
24 mosquitos.

25           WASTE TIRE MANAGEMENT SUPERVISOR FUJII:  Okay.

1 Moving on to the final element in this section, the fire  
2 marshal training element. And we are currently working  
3 with the Office of State Fire Marshal to update the tire  
4 fire curriculum that currently exists and also provided  
5 some training to local fire authorities for the latest and  
6 greatest in terms of fire suppression technique and  
7 effort.

8 We're proposing that -- we're anticipating that  
9 with the change in technology and as we get more  
10 information about fire suppression or how to know more  
11 about tire fires in general, is that the technology would  
12 like to change over the next several years. And so we're  
13 proposing funding an out-year starting in Fiscal Year  
14 '08-'09 to provide maybe an update of the effort that  
15 we're doing now.

16 This is about the timeframe that we had this  
17 current update from the previous effort that we had with  
18 the fire suppression and working with the Office of --  
19 State Fire Marshal's Office before. So, again, proposing  
20 a hundred thousand dollars in fiscal year.

21 CHAIRPERSON MOULTON-PATTERSON: When was the last  
22 time you updated the manual?

23 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Say  
24 again.

25 CHAIRPERSON PEACE: When was the last time the

1 manual was updated?

2 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: You  
3 know, I want to say it was about around about 2000 and --  
4 maybe right around 2000, maybe 2001, something like that.  
5 I can't remember the Rings of Fires docket. I'd have to  
6 check back. But it seemed like it was about the same  
7 timeframe as staff were looking at this.

8 CHAIRPERSON PEACE: Eight to nine years?

9 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Yeah, I  
10 mean -- and certainly we'd come back to the Board that  
11 if -- if some earthshaking thing came out between now and  
12 then for our new proposal. But this is kind of what we're  
13 anticipating at this point.

14 --o0o--

15 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: And  
16 then, finally, just briefly going over the performance  
17 measures that are in this section of the plan.

18 The first is to complete the long-term waste tire  
19 remediation projects within two years.

20 The second would be to complete short-term waste  
21 tire remediation projects referred by the Waste Tire  
22 Enforcement Program and report the status of those  
23 projects to the Board on an annual basis.

24 The third, increase the number of waste tire  
25 cleanup grants issued to local governments on an annual

1 basis.

2           Number four, increase the number of waste tire  
3 amnesty day grants issued to local governments on an  
4 annual basis.

5           Five, increase the percentage of tires remediated  
6 through the farm and ranch programs -- programs issued to  
7 local governments on an annual basis.

8           And then, lastly, with the cooperation of the  
9 Office of State Fire Marshal, assess existing tire fire  
10 response protocol and update and amend the Uniform Fire  
11 Code as necessary every five years.

12           And that concludes my presentation.

13           Any questions?

14           BOARD CHAIRPERSON MARIN: Bob, one of the things  
15 I want to ask -- and we'll have this meeting later on.  
16 But this is performance measures. I want to know how many  
17 tires, by when, under which program we're going to  
18 remediate, cleanup or abate. And they have to be very  
19 succinct, very simple. It's not increase anything. It's  
20 increased by this percentage, by this date, under this  
21 circumstance.

22           WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Okay.  
23 Understood.

24           CHAIRPERSON PEACE: I'm planning to work with  
25 your office to go through all of that stuff, even to the

1 point of asking some questions, like -- in the charts  
2 here, this section on local government remediation grants,  
3 and here's one that was in '01-'02, and the little  
4 asterisk says, "The number of tires remediated is an  
5 estimate, since the Board hasn't received final reports."  
6 And I guess I have questions -- I'll have questions like  
7 that too, if this was money they got in '01-'02 and this is  
8 '05 and we still haven't got any final report, and I'm  
9 kind of wondering why.

10 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: You  
11 know, that could be that we just haven't updated that  
12 information yet. We probably have -- we should do that.

13 CHAIRPERSON PEACE: We'll need to look through  
14 all that --

15 WASTE TIRE MANAGEMENT SUPERVISOR FUJII:  
16 Definitely so.

17 CHAIRPERSON PEACE: -- and make it current and  
18 update --

19 WASTE TIRE MANAGEMENT SUPERVISOR FUJII:  
20 Definitely so.

21 CHAIRPERSON PEACE: -- that stuff as much as  
22 possible.

23 DEPUTY DIRECTOR LEE: Madam Chairman, the next  
24 element we'd like to discuss with you today is the hauler  
25 manifest program.

1                               --o0o--

2               MR. CAMBRIDGE: Good morning, Madam Chair and  
3 Board members. I'm Keith Cambridge. Today I'll present  
4 information on the waste tire hauler and registration  
5 programs.

6               To give you a little information, the hauler  
7 registration program -- approximately 800 registered waste  
8 tire haulers with approximately 6,000 vehicles. Anyone  
9 who hauls ten or more waste tires on a public road is  
10 required to be registered with the state unless exempt by  
11 statute.

12              To become a registered waste tire hauler one must  
13 complete a waste tire hauler application and also submit a  
14 \$10,000 surety bond.

15              Aside from the cost of the bond, which is  
16 obtained from the insurance carrier, there's no cost for  
17 the registration -- or for the company to be registered by  
18 us.

19              The registration period is for one calendar year  
20 and expires on December 31st. So haulers once renewed  
21 prior to this date will cease hauling until they renew the  
22 registration for that current year.

23              In addition to the hauler program, this program  
24 also received the California Uniform Waste and Used Tire  
25 Manifest System. The programs involves approximately

1 16,000 waste tire businesses such as waste tire  
2 generators, haulers, end-use facilities.

3 For any tire transaction a waste tire manifest  
4 form must be completed showing from the point of  
5 generation to the point of disposal.

6 As you're well aware, the manifest system has  
7 been under a point of discussion over the past several  
8 months. In July 2003 the California Uniform Waste  
9 Manifest System was implemented. Training guidance  
10 manuals, forms, book marks, et cetera, were distributed to  
11 all 16,000 parties informing them of the manifest changes  
12 from the prior manifest form.

13 In addition, eight training venues were held  
14 throughout the state both in English and Spanish.  
15 Unfortunately with this new manifest system, it proved  
16 overwhelming to both the stakeholders as well as staff.  
17 The program received many complaints that this new  
18 manifest system was too time consuming and confusing to  
19 complete.

20 Staff itself was overwhelmed with the shear  
21 magnitude of forms being submitted to the Board on a  
22 weekly basis, about 5,000 forms per week, and the lack of  
23 information still being provided on those manifest forms  
24 by the regulated community.

25 In February 2004, relief efforts were sought by

1 the retread industry who were required to complete the  
2 manifest in trip log forms in addition to their own  
3 invoices, which showed very detailed information on every  
4 tire casing picked up or delivered. Special consideration  
5 was given by the Board to the retread industry to create a  
6 trip log, in which sends its implementation out in its  
7 2004 disease manifesting requirements considerably for  
8 this group while still maintaining the Board's ability  
9 to -- for enforcement oversight.

10           At the same time staff was also requested by the  
11 Board to further expand the electronic data transfer and  
12 web-based data entry capabilities to achieve the desired  
13 goals of the paperless transaction to the Board. This  
14 process of soliciting stakeholders to explore this  
15 electronic realm was initially slowed, but it's now  
16 showing greater participation now that small and midsize  
17 haulers are now being afforded this opportunity for the  
18 web base and allows the haulers to utilize their own forms  
19 once approved by the Board.

20           During the summer of 2004 Board staff -- or the  
21 Board requested staff to develop the existing manifest  
22 system to provide an easier and less time consuming form,  
23 yet still capture the required information used for the  
24 enforcement cases. Staff held workshops in August and  
25 September 2004 and in June -- January 2005 and these

1 proposed changes were suggested to the regulated  
2 community.

3 At the February 2005 Board meeting, staff was  
4 directed to proceed with the implementation of the  
5 comprehensive trip log and the required regulatory change.

6 Staff anticipates that a 60-percent reduction of  
7 paperwork compared to the existing manifest system will  
8 result from the forms that are sent out or received for  
9 processing. In addition, only moderate costs will be  
10 incurred in updating existing waste tire data system to  
11 incorporate this new form.

12 These reductions in costs reflected in the  
13 upcoming five-year plan expenditures was anticipated that  
14 most of the training materials and initial outlay of  
15 expenses will come from this current year's budget.  
16 Therefore, staff is recommending a reduction in program  
17 expenses from the past \$1.1 million to the current  
18 \$700,000 for the Fiscal Year '05-'06 and then from  
19 \$700,000 to \$500,000 for the remaining fiscal years '07 --  
20 or '06-'07, '07-'08, '08-'09 '09-'10. In total cost  
21 savings, about \$1.2 million. This is not including any  
22 staffing expenses for all the years set, which is that  
23 \$326,482. Staff will reevaluate these costs over the next  
24 few years once the new manifest system is established to  
25 further reduce these overall costs.

1 In forming --

2 CHAIRPERSON PEACE: I do have a question.

3 Where you're going through these money amounts,  
4 we do see in this plan it's dropped significantly since  
5 the last revised plan. But it is still quite a bit higher  
6 than the sheet that I got during the manifest workshops  
7 and what we approved when you said if we approved Option  
8 2, that the first year because of the implementation and  
9 the -- form design it would be \$265,000 and the subsequent  
10 years' operating costs should be 137,000. So that's still  
11 quite a bit, you know, less than what is in this plan. So  
12 are there other things that are in this \$500,000 that were  
13 not reflected in this?

14 MR. CAMBRIDGE: I don't have that sheet in front  
15 of me. But we will have to incur costs for training.  
16 We'll have to retrain all the registered waste tire  
17 haulers, incorporate new training costs for manuals,  
18 training field reference guides, et cetera, on that as  
19 well.

20 In addition, to -- I'm not sure if that  
21 incorporated the postage for our repeat postage.

22 CHAIRPERSON PEACE: Supposedly it incorporated  
23 everything. So maybe you can take a look at that again  
24 and let me --

25 MR. CAMBRIDGE: Okay. We'll definitely look at

1 that.

2 In order to evaluate the program's success and  
3 achievements, it's objectives, the following performance  
4 measures are being proposed. Initially the baseline data  
5 was to be collected during the 2004 calendar year.  
6 However, with the current manifest system being modified,  
7 we feel the information should be collected by 2006, after  
8 the comprehensive trip log has been implemented and  
9 established.

10 Our first -- our goals are basically first to  
11 identify the percentage of used waste tires generated  
12 using this new form and by the paper manifest form in  
13 2006. Second is the percentage identified using the  
14 electronic format by 2006. And then, lastly, the amount  
15 of penalties levied from the violations of the Public  
16 Resources Code through the manifest system.

17 CHAIRPERSON PEACE: Another performance measure  
18 I'd like to see in there is how many illegal dumpers are  
19 actually found as a rule of this manifest system.

20 MR. CAMBRIDGE: We can definitely look at that.

21 CHAIRPERSON PEACE: Okay.

22 TIRE FACILITY PERMITTING & HAULER REGISTRATION

23 SUPERVISOR TURNER: Good morning. My name is Georgianne  
24 Turner. I'm with the Waste Tire Enforcement Program, and  
25 I'd like to review --

1           DEPUTY DIRECTOR LEE:  Madam Chair, I'd like to  
2 say it's been brought to my attention that we neglected to  
3 get into solicit input from the stakeholder at the  
4 conclusion of our first discussion on remediation.  So  
5 perhaps again we'd might want to just turn back to take  
6 care of that.

7           MS. FRENCH:  Terry Leveille of TL & Associates  
8 would like to speak on the remediation section.

9           MR. LEVEILLE:  Thank you, Mr. Lee.

10          CHAIRPERSON PEACE:  Hi, Terry.

11          How was Hawaii?

12          MR. LEVEILLE:  Oh, it was very nice, very nice.  
13 I missed you all.

14          Madam Chair and -- Committee Chair and Mr.  
15 Washington, Board Chair Marin and Board Member Mulé.  I'm  
16 Terry Leveille, TL & Associates.

17          I want to once again -- I think congratulations  
18 are due to staff, but particularly Sally French.  She did  
19 a great job on this.

20          I do want to remind you that this is the general  
21 plan.  And I've been talking to the stakeholders that are  
22 concerned about specific programs in this plan.  I said  
23 when specific programs of this plan are brought up at  
24 later Board meetings and the like, there will be ample  
25 time to debate those, and we will -- a lot of these things

1 will be fleshed out a little bit more. Because we're  
2 approving a plan here -- or you will be approving a plan  
3 here that it's in a general nature.

4 I mean even though there's some specific comments  
5 on specific programs like we just talked about, once those  
6 programs are dealt with at a later time, we want to  
7 reserve the right for stakeholders to, you know, more  
8 fully debate some of these issues. So that even though  
9 you approved this general plan, the specific programs may  
10 be subject to further debate.

11 And I -- once again, I'm speaking on behalf of  
12 the Tire Dealers Association on this particular issue, who  
13 are concerned about how their money -- or the money that  
14 they collect from customers is being spent.

15 I will raise the issue of the Farm and Ranch  
16 Program once again. We feel that we -- that the tire --  
17 the tire fund is being somewhat of a cash cow in this  
18 regard; and that the bulk of the million dollars or so  
19 that is spent on this program should be coming from the  
20 Integrated Waste Management account, from tip fees from  
21 landfills.

22 We do like the idea of the performance measures.  
23 Chairman Marin, I agree with you. We do need to see --  
24 first of all, we need to see some baseline figures to  
25 compare these things. And on the Farm and Ranch Program,

1 I would hope that staff would be able to at least provide  
2 not only percentages of each type of material collected in  
3 general, tires specifically, but also tonnage, and so we  
4 can compare this and see what we feel, the tire dealers  
5 feel, is a very small amount of tires that are collected  
6 in this program and that more equitably should be hoisted  
7 upon the IWMA account.

8           Likewise, on the mosquito vector thing, I think  
9 you've raised some really good points. A concern I have  
10 is that the mosquito vector people should be reporting  
11 these tire piles that are creating a problem to the Board;  
12 just, you know, getting a phone call to Mitch, or to Bob  
13 in this case. And I'd rather see the money be spent on a  
14 fleet of active cleanup haulers that -- or cleanup  
15 contractors that Bob could call out when we gets a call  
16 from Modoc County and says that there's a hundred tires  
17 that are creating mosquitos and stuff.

18           And rather than going through the normal  
19 processes, you're talking about mapping out these things,  
20 by the time these tire piles ever get cleaned up, it's,  
21 you know, two or three months later, maybe six months  
22 later, maybe a year later, depending on whether the local  
23 government or the state is taking care of it. And by that  
24 time, the mosquitos have bred and bred again.

25           I'd rather see a shock troop of tire pile cleanup

1 guys going out there whenever there's a reported batch of  
2 tires. And it would be taking -- it would be taking an  
3 effort off the part of the mosquito vector people, the  
4 Department of Health Services and the like, so that they  
5 wouldn't have to clean up that stuff. We have the  
6 expertise. We know what's going on there. The locals may  
7 know what's going on there and how to clean up these  
8 tires. We have the contacts all over the place of people  
9 that will go out and clean up tire piles.

10           Why not do it within a matter of weeks or, you  
11 know -- or days even rather than going through the slow,  
12 deliberate process of mapping those things out. It's just  
13 sort of a common-sense thing. You know, it may be subject  
14 to some discussion down the line, but it just seems to me  
15 that that's a better way to deal with the problem than  
16 just giving them \$125,000. For what? For reporting  
17 something that they should be reporting anyway to the  
18 Board.

19           Thank you very much.

20           COMMITTEE MEMBER WASHINGTON: Madam Chair?

21           Just before we move on. Is this mike on?

22           Mitch, the rural counties -- and I'm glad that  
23 we're going back to that, because I had missed the  
24 opportunity to ask questions before we left the ranch  
25 performance item. The rural communities are complaining

1 about the time it's taken to get these grants.

2 And have you guys addressed that concern in terms  
3 of the process of how fast they can give the grants once  
4 it has been issued to them?

5 WASTE TIRE DIVERSION MANAGER DELMAGE: For the  
6 farm and ranch grants?

7 COMMITTEE MEMBER WASHINGTON: Yes.

8 WASTE TIRE DIVERSION MANAGER DELMAGE: Just a  
9 second please.

10 Ms. French: Is Howard here?

11 WASTE TIRE DIVERSION MANAGER DELMAGE: That  
12 program is actually run out of the P&E Division.

13 COMMITTEE MEMBER WASHINGTON: Oh, okay.

14 WASTE TIRE DIVERSION MANAGER DELMAGE: So I don't  
15 have the answer for you.

16 DEPUTY DIRECTOR LEE: I'm sorry, Mr. Washington.  
17 But I got distracted there for a moment.

18 Could you please repeat your question, and I'll  
19 see if I can respond to it.

20 COMMITTEE MEMBER WASHINGTON: Yes. The rural  
21 communities are complaining about how fast they get these  
22 grants, how fast they get someone to clean up. And what  
23 they're saying is that while they're waiting for the  
24 grants that these illegal sites are getting bigger and  
25 bigger before they get the resources to try to clean up

1 what they already have. And I don't know if anyone has  
2 addressed their concerns as to how fast they can get these  
3 grants to them. Or have we developed a plan to see if we  
4 can get the grants out a little faster to them? Do we  
5 have any --

6 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: You  
7 know, I can't speak for the Farm and Ranch Program. But I  
8 can tell you that, you know, we have in the past, and  
9 consider doing it again, do a continuously appropriated --  
10 or continuous grant period for the cleanup grant, the  
11 local government cleanup grants. And so there may be  
12 multiple opportunities for -- during the current year for  
13 applicants to apply for those grants.

14 The last -- I believe this last fiscal year we  
15 just did one offering. And in previous years we have  
16 offered it two and even three times during the fiscal year  
17 to allow local governments to come in at various times of  
18 the year to do that.

19 In addressing the problem of illegal dumping  
20 though, you know, whether they get the grant sooner or  
21 later, they're going to have illegal dumping in certain  
22 areas of the state. So I think what we're fighting is  
23 it's a combination of not just the cleanup, but the  
24 enforcement action that working with the local enforcement  
25 grantees to prevent these things from happening in the

1 first place.

2           And so if we can target areas where our local  
3 governments are able -- or our grantees are able to  
4 identify where those areas are, we can hopefully, you  
5 know, clean them up -- clean the ones that are up there,  
6 but maybe do some -- take some effort to prevent that from  
7 occurring in the future by, you know, even doing some  
8 surveillance out there with our local enforcement  
9 grantees, you know. So it's kind of a team effort in a  
10 way, those two kinds of things work hand in hand,  
11 enforcement and our cleanup effort.

12           But that's something we certainly can do for the  
13 cleanup program that's offered. That may be multiple  
14 times like we've done in the past. And we can speak to  
15 the P&E Division and see -- I believe their grant program  
16 is only offered once a year. So -- but we can certainly  
17 talk to them about maybe doing something similar to that  
18 program as well.

19           COMMITTEE MEMBER WASHINGTON: Okay.

20           MS. FRENCH: We have one more speaker. And that  
21 is Barry Takallou with CRM company.

22           MR. TAKALLOU: I'm Barry Takallou with CRM  
23 Company out of Compton, California.

24           I would like to support the suggestion on  
25 combining the local government cleanup program and amnesty

1 program. Let me give you one example. We were involving  
2 clean up of a local site in Ventura County. And we  
3 mobilized there for two weeks. We were there cleaning up.  
4 And amnesty program cannot in conjunction. Because once  
5 we mobilize, they could have been saving lots of money.

6 And also I'd like to suggest some sort of  
7 performance measures for amnesty programs. We have been  
8 also involved in amnesty programs. We go and set our bin  
9 all Saturday, we get five tires. That's very, very  
10 expensive.

11 I know Chair Peace has suggested on a rubber  
12 product which was like \$150 per tire. Some amnesty  
13 programs could be that expensive.

14 I think we've got to see the return. Or what's  
15 the cost? Because we were subcontractors. They told us,  
16 "Bring your 40-yard bin." We were there, sit there for  
17 all day. We only get five tires.

18 And I'm suggesting combining these two programs  
19 and let the local agency decide how they want to spend the  
20 money.

21 And I know we have not got to the enforcement  
22 yet, but I would even go out of the box and look into  
23 combining cleanup enforcement and amnesty, because the  
24 enforcement guys know where these tires are. You know,  
25 looking \$6 million there and \$2 million, in these two

1 programs \$8 million.

2           You know, it's got to be a connection between  
3 cleanup and enforcement. The enforcement guys don't want  
4 to just write tickets. We haven't done anything. And up  
5 till now there's no connections. And these people, they  
6 apply for separate grants. One program the Board -- the  
7 city of Los Angeles. City of Los Angeles, they provided  
8 the permanent location, seven yards, which we have a  
9 contract with City of Los Angeles. They provided all  
10 around the year locations for people that can deposit  
11 their tires in these locations.

12           So the performance measures on amnesty program in  
13 my opinion has to be evaluated.

14           Thank you.

15           MS. FRENCH: Do we have any more speakers for  
16 remediation or the hauler manifest before we move on to  
17 enforcement?

18           BOARD MEMBER MULÉ: Yeah, I have a question for  
19 staff on the performance measures for amnesty day  
20 Programs. I know when I worked in the Inland Empire, both  
21 Riverside and San Bernardino County, the tire amnesty days  
22 were a huge success, and they -- I mean we couldn't  
23 collect -- we couldn't handle the number of tires  
24 collected in some instances.

25           So could you give us some sense of -- if what Mr.

1 Takallou is saying is an anomaly for that one instance or  
2 are they normally very successful? Because, again, in my  
3 experience they've been hugely successful. And they're  
4 very -- as Chairwoman Marin has stated earlier, they're  
5 very popular with the local jurisdictions.

6 Thank you.

7 WASTE TIRE DIVERSION MANAGER DELMAGE: Yes. For  
8 the most part they've been very successful.  
9 They've been well received. Many tires have been  
10 collected. I think what Mr. Takallou mentioned is an  
11 anomaly. However, I do agree that these three programs,  
12 it should be connected in some fashion. And I think that  
13 by doing that, we'll get more bang for the buck. And, for  
14 instance, what Mr. Takallou -- or Dr. Takallou just  
15 brought up, I think is a good idea. That the money  
16 doesn't necessarily have to be earmarked in the  
17 percentages.

18 So if a jurisdiction gets money from all three,  
19 and it turns out that there's not enough tires, that money  
20 could be used on the cleanup grant. And so, you know, we  
21 can look at that, talk with Legal, see how we can develop  
22 a program that will meet all these needs.

23 BOARD MEMBER MULÉ: Okay.

24 CHAIRPERSON PEACE: But this staff's looked at  
25 that. So I think what Mr. Takallou was saying, that you

1 got five tires in the same jurisdiction asks for grant  
2 again, do we have the information to say, "Oh, well, last  
3 time you only collected five tires. Well, I don't think  
4 you'll get one this time"? I mean do we look at that  
5 stuff?

6 WASTE TIRE DIVERSION MANAGER DELMAGE: Yeah, when  
7 we have an amnesty day grant, part of the application is  
8 just asking for the need and kind of demonstration of the  
9 need. We also ask if they've had past grant, and have  
10 that data available to us as well.

11 CHAIRPERSON PEACE: Collect it the last time.

12 BOARD MEMBER MULÉ: They're required to report  
13 how many tires were collected, correct?

14 WASTE TIRE DIVERSION MANAGER DELMAGE: Yes.

15 BOARD MEMBER MULÉ: I would make sure everybody  
16 understands that.

17 Thank you.

18 BOARD CHAIRPERSON MARIN: Madam Chair, I have to  
19 go back to Terry and his concern about the farm and ranch  
20 solid waste -- the clean up and abatement grant program.  
21 I appreciate, and to a certain degree I agree with you,  
22 that it might be possible that the percentage of tires in  
23 that whole cleanup of the ranch or the farm program may be  
24 a small percentage. If I put my hat on as the person just  
25 looking at tires in the grant program or the monies

1 available from the tire fund, I would certainly agree with  
2 you in that it should be a percentage -- probably a  
3 percentage, but it would be a lower percentage of the  
4 total amount of the cleanup program.

5 But if I put my hat as the Chairwoman of the  
6 entire program, the farm, the tire, the -- the IWMB  
7 account, the oil and the tire accounts, then it would seem  
8 to make sense from my vantage point to divide it, only  
9 because there are three programs that we have accounts  
10 for.

11 I hope you would appreciate that. I appreciate  
12 what you're saying. I agree with you. But because we  
13 have to look at it from, you know, what's out there and  
14 the bigger picture, I would appreciate -- or I would hope  
15 that you appreciate our position in that in this case it  
16 seems to me that the fair way to apportion would be  
17 one-third, one-third, and one-third from the three  
18 different accounts. That is my view. But I agree and I  
19 appreciate where you're coming from. I hope you  
20 appreciate at least my position from the Board's  
21 perspective.

22 MR. LEVEILLE: Thank you. Yeah, that's fine.  
23 We'd be happy with the one-third, one-third, one-third.  
24 Although I think there was a little bit of change in that  
25 regard.

1 BOARD CHAIRPERSON MARIN: It's minor, isn't it?

2 CHAIRPERSON PEACE: And the reason we did that,  
3 we raised up a little bit more tires. We dropped it in  
4 used oil because the revenues in the oil account are  
5 dropping and the revenues here are raising.

6 DEPUTY DIRECTOR LEE: Madam Chair, one other  
7 issue. Again, our legal counsel wants to bring up to the  
8 Committee's attention with regards to some of the -- Mr.  
9 Leveille's remarks with regard to the farm and ranch  
10 issues.

11 STAFF COUNSEL BRECKON: Actually it was in  
12 regards to --

13 DEPUTY DIRECTOR LEE: Name please.

14 STAFF COUNSEL BRECKON: This is Wendy Breckon,  
15 Staff Counsel.

16 My comments have to do with the idea that you can  
17 just see a pile, get a hauler, pick up tires. And if it  
18 was that simple, it would be great. We wouldn't have to  
19 worry about the Fourth Amendment. I could do a different  
20 job.

21 But, unfortunately, we do have to worry about,  
22 you know, the Fourth Amendment and expectations of  
23 privacy. And so where there's private property,  
24 there's -- if there's culpability, we usually do the  
25 enforcement process. And so that would mean a cleanup and

1 abatement order; you know, an administrative complaint for  
2 penalties. And then we do the cleanup or then we achieve  
3 property access through a number of different means that  
4 we have available.

5           If there's no culpability in the private  
6 property, then we might work with the landowner to achieve  
7 access or some kind of a stipulation and, you know,  
8 payment of our cost recovery.

9           And even if it's state or federal property, we  
10 have to achieve consent to go upon the property. And in  
11 fact we've recently had a case with the State Lands  
12 Commission, it took months and one of their board meetings  
13 to achieve, you know, their blessing that we could go on  
14 the property and clean up some tires. So it's not always  
15 that simple.

16           And, in addition, there -- I think a mapping out  
17 of the tires, just from my experience with dealing with  
18 cleanup, would be helpful, because a lot of times there's  
19 issues with how to get on to exactly where the tire pile  
20 is in relation to other property lines and if it's a  
21 land -- if it's landlocked, do the tires spill over onto a  
22 couple different parcels? And all that comes into play.  
23 So I just wanted to just make that clear, that it's not  
24 always so simple, see a tire, pick it up.

25           BOARD CHAIRPERSON MARIN: It's not.

1 (Laughter.)

2 BOARD CHAIRPERSON MARIN: I'm surprised.

3 DEPUTY DIRECTOR LEE: Perhaps one final point in  
4 closing on this farm and ranch issue. I think I -- I may  
5 have pointed out at the January workshop that, you know,  
6 right now the funding is available for various clean-ups.  
7 It's split among various programs in different ways. You  
8 know, I think I used the La Montana example last time to  
9 suggest that, you know, there were tires cleaned up there,  
10 although there was no tire fund contribution to that  
11 effort. But we feel there's many examples like that in  
12 the 2136 program, which does fund the majority of the  
13 Board's clean-ups.

14 Again, when tires are cleaned up, again there's  
15 no financial support from the tire program per se. So,  
16 again, I was -- you know, staff's recommendations took all  
17 that into account in our proposal to nominally increase  
18 the funding for that program in deference to some of the  
19 funding contributions from the other programs in outlying  
20 years in the tire plan.

21 BOARD CHAIRPERSON MARIN: Yeah. I think that we  
22 can obviously say that Mr. Terry Leveille is doing a  
23 wonderful job protecting the interests of his clients.

24 TIRE FACILITY PERMITTING & HAULER REGISTRATION  
25 SUPERVISOR TURNER: Okay. I think they'll let me talk

1 now.

2 Good morning. My name is Georgianne Turner again  
3 for the Waste Tire Enforcement Program. And today I'd  
4 like to go over the proposal -- staff's proposal for the  
5 enforcement element of the five-year plan.

6 We're not making a lot of changes to this  
7 element, but rather refining the programs that are -- in  
8 modifying our objectives and performance measures to make  
9 them more meaningful.

10 The major goal of the enforcement program, as you  
11 well know, is to reduce and ultimately eliminate the  
12 illegal storage and disposal of waste tires throughout  
13 California and ensure that the tires are stored in a  
14 manner not to cause a fire or vector hazard. These two  
15 goals are distinctly different and tackled by various  
16 different methods since one method is not -- doesn't meet  
17 all of our needs.

18 Some of those strategies we use -- one of the  
19 initial strategies is to do a survey of a particular  
20 jurisdiction, to define the tire universe in that  
21 particular area. This function is namely handled through  
22 our local enforcement grantees due to the fact that the  
23 local government can do this much more efficiently and  
24 effectively than we can. Like some of the stakeholders  
25 were saying, they know the area, they know where the

1 problems are, they're right there, their travel costs are  
2 much less and so forth.

3           And since the illegal dumping generally starts  
4 with the generators, this is a very important element of  
5 the program. And it's probably been -- part of the  
6 initial expenditures in our enforcement program is just to  
7 do these surveys. And we're not all the way through those  
8 surveys, and even jurisdictions where we've had a grant  
9 for a couple years.

10           We also conduct irregular inspections of  
11 permitted facilities, exempt facilities, and waste tire  
12 haulers, and, to a lesser frequency, generators, to make  
13 sure that they're meeting the storage standards and not  
14 hauling illegally or dumping tires illegally.

15           And this function is covered both by our grantees  
16 and our state staff.

17           We also conduct surveillance activities. And  
18 this is a very important part of our program, but a  
19 difficult one to measure. We conduct two kinds of  
20 surveillance activities. One is join in investigation on  
21 sites where we believe there's illegal activity occurring.  
22 And this activity highly depends on our use of services  
23 through the CHP contract, our local grantees, and video  
24 surveillance which we have been working through the ARB  
25 with.

1           Additionally, we do conduct aerial surveillance  
2 and patrol surveillance through our local grantees to  
3 identify illegal tire piles. The CHP -- and now we have a  
4 pilot project with San Jose State -- have assisted us and  
5 hopefully will assist us in the future in conducting  
6 surveillance to identify illegal -- significant illegal  
7 dumping and tire piles that pose as a public health  
8 threat.

9           Another element of the program of course is  
10 enforcement, which is a very necessary aspect of the  
11 program to assure that everybody's held to the same  
12 standard and we're not allowing sites to be out there that  
13 are posing a fire hazard or a vector hazard.

14           The way -- we plan to break these functions down  
15 into five different categories for funding. And the first  
16 funding category is for our staff here at the Board. And  
17 we conduct various -- kind of a myriad of duties, which  
18 includes issuing permits, writing regulations, developing  
19 policy, providing training to our grantees and support,  
20 administering the grant program, which has very much  
21 increased over the last few years. In those activities we  
22 conduct inspections in all those jurisdictions where we  
23 don't have grantees.

24           We follow up and respond to complaints and  
25 conduct investigations, which we receive a fair amount of

1 complaints. I think we've received 50 over the last year.

2           And then where the grantee has referred  
3 enforcement cases to us, and where we've gone out and we  
4 have complaints in enforcement where we can't get  
5 compliance through a note of violation, then we end up  
6 preparing -- working with our legal counsel to prepare  
7 cleanup and abatement orders and administrative complaints  
8 and so forth in building those cases.

9           Additionally, like I mentioned before, we provide  
10 a lot of assistance to the grantees, especially now. In  
11 the beginnings of this program the initial training to  
12 them and then ongoing training to make sure that our goals  
13 are being met out there on the local level. And then an  
14 ongoing evaluation of them.

15           And of course preparing and coordinating any kind  
16 of enforcement activity, we have to go over them.

17           You know, I mentioned, you know, the importance  
18 of our surveillance contracts. Right now we have an  
19 interagency -- I put this as a one-line item because it's  
20 really all doing the same thing, which is the surveillance  
21 and enforcement assistance. And we have an interagency  
22 agreement with CHP for several years.

23           We are shifting our efforts. We're doing some --  
24 a lot of checkpoints and so forth. And we're now finding  
25 the need -- that we really need assistance and

1 surveillance. We need their technical expertise and the  
2 fact that they're peace officers to help us on inspection  
3 warrants and in cases where we need to do more  
4 investigation. And so we're shifting kind of gears in  
5 that aspect.

6 Last year we entered into an interagency  
7 agreement with ARB for their aerial -- or their video  
8 surveillance, which has assisted us in about 15 cases so  
9 far. And it's new. But they've been cooperative, and  
10 we're hoping that that will continue. If we're satisfied  
11 coming at the end of our contract terms, we'll continue  
12 that, maybe seek a lower amount of funding for that. And  
13 that would come out of this line item.

14 But since we're not at the end of that contract,  
15 we want to assess the whole performance of that.

16 But, yeah, the need will still be there, whether  
17 we go and continue to go with them or maybe merge that  
18 into the CHP contract. But we would allow some  
19 flexibility there so the Board could assess performance of  
20 those activities.

21 And then of course you all know about the San  
22 Jose pilot project we've got. And depending on how that  
23 pans out, we'll continue working with them or we'll find  
24 another venue to receive that information.

25 So there's a little bit of flexibility in this

1 line item to adjust based on performance and need.

2 And where we can't spend the money, of course  
3 that could be reallocated. It is -- it is reduced though  
4 from the 400,000 that we allocated through the CHP  
5 contract in previous years.

6 We also put a CDAA line item and we have -- we  
7 did a pilot project with them I think '01-'02 for a  
8 two-year contract and extended that. We have been -- we  
9 feel that there is a need for their assistance in cases  
10 where we have multi-media cases where there's hazardous  
11 waste. There could be illegal -- stolen cars, these sorts  
12 of things, where it's really bigger than just tires. And  
13 so they've been very helpful in those cases. And I see  
14 those happening more and more as we have the local  
15 grantees bringing cases to us. They're going to be  
16 looking at it from a more across multi-media, you know,  
17 view. As well as I think Cal EPA is looking and  
18 broadening that aspect of enforcement too.

19 So I feel that there will be a need over the next  
20 few years for us to continue working with them and getting  
21 their assistance.

22 And then of course the bulk of our money  
23 goes to --

24 CHAIRPERSON PEACE: Ms. Marin.

25 BOARD CHAIRPERSON MARIN: I have a quick question

1 on the CDAA.

2 So they've been operating for four years or --

3 oh, this is the fifth year?

4 TIRE FACILITY PERMITTING & HAULER REGISTRATION

5 SUPERVISOR TURNER: You know, Wendy is managing that

6 contract. So it would be easier I think for her to answer

7 that.

8 BOARD CHAIRPERSON MARIN: Is it two years? You

9 said that we gave it to them starting in 2001.

10 TIRE FACILITY PERMITTING & HAULER REGISTRATION

11 SUPERVISOR TURNER: Right. That was the fiscal funding

12 year. So my intuition would say it's -- that we didn't

13 really start doing that fiscal year, which would be

14 '02-'03.

15 BOARD CHAIRPERSON MARIN: So they've been

16 operating now for four years?

17 TIRE FACILITY PERMITTING & HAULER REGISTRATION

18 SUPERVISOR TURNER: It would '02-'03.

19 BOARD CHAIRPERSON MARIN: Two thousand what?

20 TIRE FACILITY PERMITTING & HAULER REGISTRATION

21 SUPERVISOR TURNER: Be three years.

22 BOARD CHAIRPERSON MARIN: Three years.

23 STAFF COUNSEL BRECKON: I think it wasn't until

24 June or after 2002 they got the grant -- it was the end of

25 fiscal year we had the reallocation, 2002 I think.

1 TIRE FACILITY PERMITTING & HAULER REGISTRATION

2 SUPERVISOR TURNER: But you're probably wanting --

3 BOARD CHAIRPERSON MARIN: So two years -- they've  
4 been fully operational for two years, fully funded for two  
5 years. Each time it was \$200,000 or \$100,000?

6 STAFF COUNSEL BRECKON: We started off the grant  
7 program with 325,000, because we --

8 BOARD CHAIRPERSON MARIN: For two years?

9 STAFF COUNSEL BRECKON: For two years, because we  
10 didn't know -- the amount to put into their budget. But  
11 that wasn't the amount they used. They used closer to a  
12 hundred thousand. That's why we budgeted down.

13 BOARD CHAIRPERSON MARIN: Oh, okay. Great.

14 STAFF COUNSEL BRECKON: I'm not sure exactly how  
15 much they -- I'd have to look.

16 BOARD CHAIRPERSON MARIN: Well, that's fine.

17 The point of my question was, whether we spent a  
18 hundred thousand or three hundred thousand over the last  
19 two year, whatever the amount is, then can you tell me --  
20 and you don't have to tell me right now because you have  
21 to probably go back and look at your records. But can you  
22 tell me how many cases, how many jurisdictions, some kind  
23 of -- I need the know, for spending X amount of dollars,  
24 we got X. I need to know that before I go back and give  
25 them more money. Okay?

1               STAFF COUNSEL BRECKON:   Okay.

2               BOARD CHAIRPERSON MARIN:   Because that is going  
3 to then suggest, okay, the next year, the next four  
4 years -- you know, we have them for five years here  
5 because it's a five-year plan -- what will we expect for  
6 five years, you know? And the reason why I'm just saying  
7 this, is because I'm going to ask those questions for  
8 every single program. So I just decided to do it on this  
9 one. I have nothing against -- the D.A.'s are my friends,  
10 all of them. But those are the hard questions I would  
11 need to ask. Okay?

12              STAFF COUNSEL BRECKON:   Thank you.

13              TIRE FACILITY PERMITTING & HAULER REGISTRATION

14 SUPERVISOR TURNER:   Okay. I think that's a good question.  
15 And Wendy and I'll look into that.

16              Of course the bulk of our money is in the local  
17 grantees because they're doing the bulk of the work. And,  
18 you know, there's this number of course that has been  
19 questioned because its a lot of money. But this year we  
20 received grant applications for \$5.8 million. So we'll be  
21 coming to the Board next month for award, and it will be a  
22 little less than that because of some budget cuts and so  
23 forth. But it's up there. And we received some  
24 additional jurisdictions and we have increased from last  
25 year -- with the 36 jurisdictions, we've actually

1 increased the coverage from 59 percent to 71 percent,  
2 which is really good. This is really what we want.

3 So I would suspect over the next -- you know, my  
4 goal as, you know, the manager of this program, is to get  
5 the program stabilized and start prioritizing our work, so  
6 that we can eventually bring this cost down and still  
7 have, you know, an 80 percent coverage throughout the  
8 state, which is the performance goal that we initially  
9 set.

10 BOARD CHAIRPERSON MARIN: Eventually it's going  
11 to be a hundred.

12 TIRE FACILITY PERMITTING & HAULER REGISTRATION

13 SUPERVISOR TURNER: That would be nice.

14 (Laughter.)

15 TIRE FACILITY PERMITTING & HAULER REGISTRATION

16 SUPERVISOR TURNER: And of course we've done a lot of  
17 discussion -- discussion today about reporting back to the  
18 Board on, you know, what we're doing. And we have lacked  
19 the database capacity to do this. And it's just been over  
20 the last year that we have been successful in putting in  
21 99 percent of our work into a database. So IMB has been  
22 very helpful in developing a standardized report --  
23 inspection report and enforcement combination report that  
24 is now being captured in the database electronically. And  
25 so I can even report today that as of yesterday we had

1 about 6600 inspections from this -- for this year alone  
2 with our grantees. And so that's a big achievement.

3 But we have a little ways to go. We still have  
4 some enforcement module to build and tie in some of the  
5 rest of the -- it's like the cleanup program, the amnesty  
6 day program, and their successes into this. And so we're  
7 asking for a few -- some more dollars for the database  
8 effort.

9 BOARD CHAIRPERSON MARIN: Madam Chair, whatever  
10 they need on this issue, I'm going to give it to them,  
11 because that's exactly -- if you're going to be able to --  
12 by giving you this money, you're going to be able to give  
13 me the information that I will need to make other  
14 decisions for allocations. You can have a hundred, you  
15 can have more.

16 (Laughter.)

17 BOARD CHAIRPERSON MARIN: A hundred thousand and  
18 one dollar. I'll give you the extra dollar.

19 Madam Chair, I do want to say something, because  
20 I do appreciate what's going on, the work that all of you  
21 put in to do this. I really do. And please understand  
22 that my job is to ensure that you do your job and you do  
23 it well and you do it right and that we have a way to  
24 measure how well of a job we as a whole are doing. That's  
25 the whole issue.

1           I think the world of each one of you. I think  
2 that all of you do a remarkable job. I just want to be  
3 able to say it: "This is how they did it. This is why  
4 they did it. Because they did 16,000 inspections." I can  
5 go across to the capital and say, "We were able to  
6 enforce, you know, 2,000" whatever. "And as a result of  
7 that they did 30 million" whatever, whatever it is. And  
8 so if I seem rough, I just want you to know that it's  
9 because at the end of the day we will all have a better  
10 way to project the great work that we are doing. And it  
11 doesn't escape me that you all have put in an enormous  
12 amount of work and you do your job diligently. I just --  
13 if I could just push a little bit more, please allow me to  
14 do that. Okay?

15           Thank you.

16           And they can have a hundred thousand and one more  
17 dollar.

18           (Laughter.)

19           BOARD MEMBER MULÉ: Madam Chair.

20           Thank you.

21           Georgianne, I was wondering for the local  
22 enforcement grants, can any of that money be used for the  
23 local jurisdictions to purchase surveillance equipment?  
24 And the reason I ask that, if they can --

25           BOARD CHAIRPERSON MARIN: Yes.

1           BOARD MEMBER MULÉ:  -- because, again, when I  
2 served on the Riverside County Illegal Dumping Task Force,  
3 that was, you know, one of the conclusions that we came up  
4 with, is the fact that surveillance as a part of  
5 prevention was a key to the success of whether it's  
6 illegal tire piles or illegal solid waste piles.

7           So, you know, again, I just wondered if that  
8 money can be used for surveillance.

9           TIRE FACILITY PERMITTING & HAULER REGISTRATION  
10 SUPERVISOR TURNER:  Yes, they definitely can.  And we --  
11 it's the -- the second task in our budget is for  
12 surveillance and enforcement.  And so -- and they're  
13 allowed to have, you know, a fairly large chunk of money  
14 in relationship to their inspections to do that work.  So  
15 we think we see that as a key component to this whole  
16 program.

17          BOARD MEMBER MULÉ:  Thank you.

18          CHAIRPERSON PEACE:  As well as surveillance  
19 equipment, they can buy computers and cars and a lot of  
20 different things to help them support their program.  I  
21 think one of the meetings we had I did suggest that we  
22 have those costs broken out so that we know which  
23 jurisdictions have got surveillance equipment and which  
24 ones have bought cars and when -- so that it's easy to  
25 track.

1 TIRE FACILITY PERMITTING & HAULER REGISTRATION

2 SUPERVISOR TURNER: You know, and we have done that for  
3 this next -- when we've developed GMS, we have now  
4 developed a method to be able to track those, the  
5 different types of equipment, so that you have an idea how  
6 we're spending the money.

7 I can tell you to date that I don't know the  
8 jurisdiction that has bought the surveillance equipment,  
9 but we are working on -- with numerous jurisdictions to  
10 provide surveillance equipment for them. That's where  
11 those 15 surveillance cameras are out there, looking right  
12 now to see -- to help in that area. So --

13 CHAIRPERSON PEACE: Thank you.

14 How many jurisdictions did you say are now  
15 covered? You said 71 percent. But how many  
16 jurisdictions?

17 TIRE FACILITY PERMITTING & HAULER REGISTRATION

18 SUPERVISOR TURNER: It's actually 37. What happened is we  
19 lost a few smaller cities. And actually San Mateo, which  
20 I'm not quite sure why. We're looking into that right  
21 now. But we were able -- we're successful to get the City  
22 of Los Angeles in and we were -- also were successful at  
23 getting the County and City of San Francisco back in and  
24 committed to the program, I hope.

25 CHAIRPERSON PEACE: Good job.

1 TIRE FACILITY PERMITTING & HAULER REGISTRATION

2 SUPERVISOR TURNER: And a few other jurisdictions.

3 So, you know, even though it only -- we had only  
4 added one net jurisdiction on, we were able to boost up  
5 our coverage 12 percent.

6 CHAIRPERSON PEACE: Excellent.

7 Then at some point we say -- okay, there's still  
8 29 percent not covered. At some point where we do the  
9 evaluations, maybe those -- that extra 10 percent or 20  
10 percent, they don't really have any problems and they  
11 don't need it. So even though it sounds like we still  
12 don't have parts of the state covered, that maybe it's not  
13 really that necessary in some --

14 TIRE FACILITY PERMITTING & HAULER REGISTRATION

15 SUPERVISOR TURNER: Correct.

16 CHAIRPERSON PEACE: Okay. Good job.

17 COMMITTEE MEMBER WASHINGTON: Madam Chair, just a  
18 couple questions I have before she moves on.

19 Under the stated program is a part of the plan.  
20 With the liens and fines -- I totaled it -- it totaled  
21 around 1.3 million. And I noticed we only collected about  
22 150,000.

23 Am I correct -- and I know you might know where  
24 I'm going with this. What are our plans to try and  
25 increase this to get more of this money in? I mean are

1 there constraints that are stopping us from getting --

2 TIRE FACILITY PERMITTING & HAULER REGISTRATION

3 SUPERVISOR TURNER: I'm going to let Wendy answer that  
4 one. I know she's been working on it.

5 STAFF COUNSEL BRECKON: Yeah, Wendy Breckon,  
6 Staff Counsel.

7 The Board's practice in the past was that if you  
8 could put a lien on the property, eventually the property  
9 will sell. And we're just going to collect it that way.  
10 We're not going to gear a lot of effort towards  
11 collections if we have a secured property, for example.

12 However, we can always change that past practice.  
13 And I believe we were -- the legal office was going to  
14 work with program to perform an item in June regarding  
15 this, just to take a look at the collection policy as well  
16 as our enforcement program. So I don't know if that -- if  
17 that satisfies what you were saying or if you --

18 COMMITTEE MEMBER WASHINGTON: No, no, absolutely.  
19 And that certainly helps in terms of the liens. And what  
20 about the fines? We're talking about \$600,000 in fines.  
21 What's the holdup in collecting those fines, the fines  
22 themselves? Does that revert back to putting the liens on  
23 the property and --

24 STAFF COUNSEL BRECKON: You know, without having  
25 all of that in front of me, I'm a little bit --

1 COMMITTEE MEMBER WASHINGTON: Okay. Well, you  
2 can get it back to me.

3 STAFF COUNSEL BRECKON: I thought that -- yeah, I  
4 thought that for the most part the majority of the  
5 penalties that we have are secured by a lien. And those  
6 that are not, we're looking at other things like -- what's  
7 it called -- the tax lien when you give the Franchise Tax  
8 Board notice and then they take, you know, the refund and  
9 would give that to us. We're looking at things like that.

10 COMMITTEE MEMBER WASHINGTON: All right. Great.  
11 Yeah, I'll look forward to seeing that item in June, see  
12 if we can get some more out of that. I appreciate it.

13 As well as I know we had a -- Chair Peace, we had  
14 a big discussion about staff safety. I remember that was  
15 an issue that occurred with one of the staff went out and  
16 somebody shot at them or pulled a gun or something. And  
17 then they -- and I didn't see no plan where -- I mean I  
18 heard someone say that we're trying to increase the nature  
19 of the law enforcement. But for our own staff protection,  
20 has there been anything done? Will they just wait -- they  
21 sit in the car and wait for law enforcement to come? Have  
22 we made a decision as to how we're handling protecting our  
23 own staff at CIWMB?

24 TIRE FACILITY PERMITTING & HAULER REGISTRATION  
25 SUPERVISOR TURNER: I think I'd like to respond to that.

1           Yes, we've done a couple things. One, we've  
2 changed -- well, our -- we've I guess enhanced our  
3 inspection protocol so that if there is -- if there are  
4 these certain level of sites, like it's a remote site,  
5 you've never been there to -- there are certain levels.  
6 They need to either take someone with them or they need to  
7 contact the CHP and they'll be an escort. We've also been  
8 working with the CHP to let them know that we're going to  
9 have probably more need for their assistance in  
10 accompanying them on those inspections that are higher  
11 risk. Because we definitely don't want to see that happen  
12 again.

13           COMMITTEE MEMBER WASHINGTON: And I would  
14 certainly -- I would like to offer my participation.  
15 Because I think with all of these inspections, when it  
16 comes to an inspection, you're not going to really get the  
17 open-door practice from the owner to come in to their  
18 property. And I think that we should have a -- at least  
19 that relationship with local enforcements across the State  
20 of California that says when we get ready to go in, we're  
21 going to need you guys assisting us to help us do that.

22           And, as the former Chair of Public Safety, I have  
23 a lot of connections with state law enforcement across the  
24 State of California. I think we should take advantage of  
25 the opportunity to get them to partnership with us, that

1 when that happens, that they'll -- even if it's good  
2 neighbors when you get in, they might not be good coming  
3 out with what you have to tell them. So they might not  
4 let you out.

5 (Laughter.)

6 COMMITTEE MEMBER WASHINGTON: So we want to make  
7 sure that you have that extra enforcement again to help  
8 you out. And I would love to work with you guys on making  
9 sure that we get that relationship going.

10 TIRE FACILITY PERMITTING & HAULER REGISTRATION

11 SUPERVISOR TURNER: Thank you.

12 COMMITTEE MEMBER WASHINGTON: All right. And  
13 then you mentioned about the surveillance. I want to get  
14 back to the 15 cameras. And did I understand you to say  
15 that you were trying to combine that again, or you going  
16 to see if you can work that in with the CHP? Because it  
17 sounds like to me that the cameras have been successful  
18 with 15 -- is that for the entire State of California?

19 TIRE FACILITY PERMITTING & HAULER REGISTRATION

20 SUPERVISOR TURNER: Yeah, that's, you know, currently  
21 what's happening right now.

22 We have had some preliminary discussions with  
23 CHP. And I don't think they're really equipped to do  
24 that. I think -- what I was trying to say is that so far  
25 we've been successful. We're going to evaluate that

1 program, you know, like anything else, to make sure that  
2 we're still being -- you know, they're able to meet our  
3 needs in that area. You know, there's -- it's hard to  
4 tell.

5 But if there's an anticipation that this program  
6 could grow -- and I'm not sure that they all have the  
7 staff to, you know, accommodate us. So that's -- you  
8 know, that's why we've allowed some flexibility in this  
9 line item. So far we're very happy with their work and we  
10 see it continuing. But there's -- like I said, we have  
11 flexibility if we ever --

12 COMMITTEE MEMBER WASHINGTON: No, great. Sounds  
13 like it's working.

14 Yeah, I would like to see you guys kind of  
15 working a little bit more and see if we can continue the  
16 program, because, again, you have certain areas where  
17 those cameras have really benefited local governments.

18 Good job.

19 COMMITTEE MEMBER WASHINGTON: My final question  
20 is under the direction provided by SB 876, the providing  
21 of a financial incentive for -- I didn't see anything  
22 addressed as it relates to the incentive for citizens who  
23 report illegal dumping.

24 Where are we with that in terms of --

25 TIRE FACILITY PERMITTING & HAULER REGISTRATION

1 SUPERVISOR TURNER: Well, actually Keith's shop was  
2 involved in making our complaint module or complaint  
3 process a little bit more accessible to the public. And  
4 we have a form that you can fill out now on the website  
5 and so forth.

6 And we receive a fair amount of complaints as it  
7 is. And so when -- I think Don Dier a few years back  
8 looked at different -- various different bounty programs  
9 and didn't really feel like we would get that much more  
10 out of, you know, a bounty program where we'd have to  
11 administer money going back, and you'd have to develop a  
12 whole program. And our resources have been fairly low, so  
13 we've tried to keep it kind of lean and mean. And since  
14 we've got as many complaints as we can follow up on, we  
15 haven't seen that as a high priority as far as identifying  
16 illegal activity.

17 That's kind of where we're at right now with it.

18 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Right.  
19 And I think the other thing to keep in mind is that  
20 because our enforcement program has been relatively  
21 successful and we have a lot more local grantees out there  
22 kind of becoming our eyes and ears, the incentive to a lot  
23 of these folks is telling on their competitors because  
24 they're not following the rules. And so we find that  
25 that's their biggest incentive. They don't necessarily

1 need a financial incentive. There's already a financial  
2 incentive built in for them, if they tell on their  
3 competitor who may be doing something that's not totally  
4 within the rules and yet cutting into their business.

5           And so I think from that vantage point, it's kind  
6 of inherent already in the system that we have that, you  
7 know, the complaints are generated in many respects, you  
8 know, along those lines. And so we didn't feel like there  
9 was a need to do any additional financial incentive. They  
10 certainly have one built in for them already.

11           COMMITTEE MEMBER WASHINGTON: All right. Good.  
12           Thank you, Madam Chair.

13           CHAIRPERSON PEACE: Also in terms of the facility  
14 permitting the regulations that we have for storage and  
15 product on-site, I hope that we still continue to review  
16 those. Because I've gotten a couple letters recently  
17 as -- from different businesses as their businesses grow  
18 and they need to get so much material on hand to maybe  
19 have for a civil engineering project, that it's really  
20 hard for them to store what they need to provide for a  
21 contract under our existing regulations.

22           So I hope, you know, as civil engineering grows  
23 and hopefully that RAC grows and that the businesses grow,  
24 that we continue to look at how our permitting regulations  
25 are either hindering that or helping that or --

1 TIRE FACILITY PERMITTING & HAULER REGISTRATION

2 SUPERVISOR TURNER: Yeah. In fact, I had about three of  
3 my staff consult over about three days and have a big  
4 pow-wow on various different policy things that need to be  
5 resolved or upgraded or updated or however you want to put  
6 it.

7 So we are trying to do that, maybe not as timely  
8 as we'd like, but we are spending some effort in that  
9 area.

10 CHAIRPERSON PEACE: Great. Thank you. No,  
11 you're always on top of it, Georgianne.

12 TIRE FACILITY PERMITTING & HAULER REGISTRATION

13 SUPERVISOR TURNER: I don't know about that.

14 WASTE TIRE DIVERSION MANAGER DELMAGE: Any other  
15 questions from Board members?

16 Now, the public. Do we have any speaker slips on  
17 this particular one?

18 All right. I'd like to recommend before we move  
19 into the research portion maybe take a five, ten minute  
20 break, let our gentleman here rest his fingers.

21 So we'll reconvene in about 22 after.

22 (Thereupon a recess was taken.)

23 CHAIRPERSON PEACE: Okay. Are we ready?

24 DEPUTY DIRECTOR LEE: Yes, Madam Chair. Excuse  
25 me.

1 CHAIRPERSON PEACE: Let's go.

2 DEPUTY DIRECTOR LEE: Go ahead, Mitch.

3 (Thereupon an overhead presentation was  
4 Presented as follows.)

5 WASTE TIRE DIVERSION MANAGER DELMAGE: All right.

6 I guess we're ready to begin. And we'll start with the  
7 research portion.

8 And Frank Simpson will present that.

9 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: Madam  
10 Chair, Committee members and Board members. Frank Simpson  
11 with the Tire Diversion Program.

12 May I refer you to Table 6, page 45, which is  
13 research directed at alternatives to the landfilling of  
14 tires.

15 Our first category is continuing education units  
16 and curriculum for RAC. We propose developing a course  
17 for continuing education units and a curriculum for  
18 rubberized asphalt concrete in civil engineering  
19 applications.

20 Two of the barriers to increase in the use of RAC  
21 are: Effectively providing both engineering students and  
22 existing engineers with training and providing accurate  
23 information regarding the benefits of RAC.

24 This proposal will develop a University of  
25 California curriculum to expose new engineering students

1 to RAC and civil engineering, and it will also develop  
2 continuing education units or a professional development  
3 hours program for existing engineers.

4 We've met several times with staff from the UC  
5 Davis Institute of Transportation Studies, and there is  
6 strong interest from the School of Engineering, the School  
7 of Business and the Pavement Research Center.

8 Proposed funding is \$350,000 in FY 2006 and 7.

9 Next is the border issue study of tire flow and  
10 storage.

11 CHAIRPERSON PEACE: I'm sorry. I do have  
12 something to mention. I think I gave a card -- I met --  
13 when I went to a rubber pavement association dinner, I was  
14 talking to someone that was there who said he was a --  
15 well, he's an engineer, but he also teaches a class that  
16 includes RAC in his classes. And so I think I gave the  
17 card to -- I just want to make sure we're going to develop  
18 this program. But if there's somebody out there that's  
19 already teaching this or already has a program or  
20 something, that maybe we could work with --

21 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: We do  
22 have your card. I gave it to Calvin Young, and he's  
23 already made several phone calls.

24 CHAIRPERSON PEACE: Okay, great. Thank you.

25 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: Next is

1 the border issue study of tire flow. Our stakeholders  
2 often consider the impact of foreign-produced crumb  
3 rubber. And they have concerns regarding tire piles  
4 located near the California-Mexico border.

5 In 2004 AB 338 (Levin) would have required that  
6 CalTrans use asphalt containing crumb rubber generated in  
7 the United States in lieu of imported crumb rubber. That  
8 bill was vetoed by the Governor.

9 In his veto message, the Governor encouraged  
10 further investigation in NAFTA issues. This study would  
11 provide solutions to trade issues associated with tire  
12 piles located near California's border.

13 Proposed funding is \$75,000 in Fiscal Years  
14 2005-6 and 6-7.

15 CHAIRPERSON PEACE: Didn't we take that out? I  
16 don't --

17 DEPUTY DIRECTOR LEE: I think the -- Frank was  
18 talking about an earlier emphasis we were having on the  
19 NAFTA issues. I'd like to say, you know, basically we're  
20 going to try and revise this to provide for enhanced, you  
21 know, support as necessary, you know, to do technical  
22 evaluations and also to potentially engage in a study to  
23 better understand the modes of ingress and egress of both  
24 illegal and legal tires across the border.

25 So the difference from this than from previous

1 iterations of the plan again is that we are proposing that  
2 the Board allocate \$75,000 a year to handle this -- to do  
3 this additional study and this -- and to have resources  
4 available for additional technical evaluation as  
5 necessary.

6 BOARD CHAIRPERSON MARIN: Madam Chair, I think  
7 that one of the important issues here is -- we know for a  
8 fact that there are tires that end up in the other side of  
9 the border. We know that for a fact. And if we're going  
10 to prevent that to the degree that eventually these tires  
11 get collected or piled up in a place that eventually, you  
12 know, could be very harmful to the environment on this  
13 side of the border, we need to -- we need to find out how  
14 we can impact that flow that eventually could have  
15 negative health impacts to the people on this side of the  
16 border.

17 And so I think that even this amount I think it's  
18 small in the sense that we do have a very significant  
19 issue. And I was just talking to Mr. Robert Blumenthal.  
20 There are very significant issues dealing with tires on  
21 the border across the United States. And EPA has been  
22 working with the people on the other side. But this has a  
23 real serious health repercussions for us. If we can get a  
24 handle on the flow either way, I think that we will all be  
25 best served and the health concerns of the people living

1 in the border will be addressed.

2 CHAIRPERSON PEACE: Well, of course. I just  
3 thought to make sure that this was changed from the last  
4 time where the money was going towards a NAFTA study.

5 DEPUTY DIRECTOR LEE: Yes, we have changed that,  
6 Madam Chair. That focus is no longer the focus of this  
7 particular effort.

8 CHAIRPERSON PEACE: Right. Okay.

9 BOARD CHAIRPERSON MARIN: Thank you.

10 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: Okay.  
11 Thank you for that clarification. I was wondering why you  
12 were looking at me funny.

13 Thanks, Jim.

14 BOARD CHAIRPERSON MARIN: If I might add one more  
15 thing. I just was visiting the City of Brawley, which is  
16 about 30 miles from the border of Mexicali. And one of  
17 the things that -- and I needed to talk to somebody about  
18 this, I just recall. One of the issues that they  
19 specifically talked to me about was the fact that on the  
20 way some of the haulers of tires, because they realized  
21 that the entire pile that they're taking is not one that  
22 is going to be used really across the border, that on  
23 their way they leave some of those tires that obviously  
24 are wasted tires and they're not going to be used and they  
25 end up in the City of Brawley.

1           So this study will help us with that flow. And  
2 it's not good for this side, certainly not good for that  
3 side. We need to study this.

4           Thank you.

5           But I do need to talk to you guys about that.

6           DEPUTY DIRECTOR LEE: I can help, Madam Chair.

7           BOARD CHAIRPERSON MARIN: Thank you.

8           WASTE TIRE DIVERSION MANAGER DELMAGE: One thing  
9 I would like to add on the NAFTA issue, as you brought up  
10 before, Madam Chair, this is an issue that came out of the  
11 original Levin bill, and there are others that will be  
12 looking into this issue. And our Legal staff said that  
13 they have funds available to assist in that regard and  
14 wouldn't need to have our funds. So, you know, we've  
15 taken this out, we've focused it strictly on this border  
16 study.

17          BOARD CHAIRPERSON MARIN: Thank you.

18          WASTE TIRE DIVERSION SUPERVISOR SIMPSON: Okay.  
19 Our next category is civil engineering application for  
20 waste tires.

21          There's still much work to be done in  
22 establishing the use of waste tires as accepted civil  
23 engineering material. This proposal will continue the  
24 Board's program of investigating new civil engineering  
25 uses for waste tires and will continue the education of

1 state, local and private sector engineers on the use of  
2 tire-derived aggregate in civil engineering projects.

3           These projects include, but are not limited to,  
4 erosion control, earthquake dampening, vibration  
5 mitigation and sound walls.

6           Proposed funding is \$500,000 in Fiscal Years  
7 2006-7 and 8-9.

8           The tire-derived product testing and  
9 certification. The time and money required for testing  
10 and certification are often mentioned as obstacles for  
11 introducing new products or expanding the market for  
12 tire-derived products. We've learned due to deep budget  
13 cuts CalTrans has significantly reduced its product  
14 research and testing activities. CalTrans is known for  
15 establishing the benchmark for standards which are used  
16 statewide and often nationally for product reliability.  
17 Part of our strategic effort is a proposed contract from a  
18 third party which would be something similar to an  
19 underwriter lab's, which would provide testing and  
20 certification for dozens of new products consistent with  
21 the specifications and requirements of CalTrans and the  
22 marketplace.

23           Funding would also provide for any new technology  
24 evaluation such as devulcanization and tire residuals such  
25 as steel.

1           Proposed funding is \$300,000 per year.

2           Next is the life-cycle assessment of waste tire  
3 management methods. This study will be by the Department  
4 of Toxic Substances Control. And they'll provide a  
5 life-cycle assessment of three major scrap tire management  
6 methods, which are civil engineering, tire-derived fuel,  
7 and crumb rubber applications. The study will quantify  
8 the flow of materials and energy, in and out, emissions  
9 and wastes of each process and the benefits for products  
10 produced for each major scrap tire management method.

11           Proposed funding is 150,000 in Fiscal Year  
12 2005-6.

13           WASTE TIRE DIVERSION MANAGER DELMAGE: One thing  
14 I'd like to add on that particular one. We will be coming  
15 back to the Board and asking before we begin this study  
16 what three tire management methods that you would like the  
17 Department of Toxics to look into. We haven't made a  
18 final decision on which methods we would actually want to  
19 investigate. That would be up to the Board's discretion.

20           WASTE TIRE DIVERSION SUPERVISOR SIMPSON: The  
21 generation and diversion study. In order to effectively  
22 measure scrap tire diversion progress the Board must have  
23 accurate information. This contract will study the  
24 correlation and address any discrepancies among the  
25 various methods the Board now uses to determine the number

1 of tires generated, diverted and disposed, using data  
2 provided by the Board of Equalization and the Tire  
3 Manifest Program.

4 Proposed funding for this is \$100,000 in Fiscal  
5 Year 2005-6.

6 --o0o--

7 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: And now  
8 we move to Table 9, page 54, the budget for market  
9 development and new technology activities.

10 WASTE TIRE DIVERSION MANAGER DELMAGE: Before we  
11 move on, let's see if we have any questions.

12 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: Okay.

13 CHAIRPERSON PEACE: I still have some questions  
14 on the research.

15 One thing in the last reiteration of this plan  
16 there was \$250,000 for water quality and tire chip  
17 projects. And that was deleted in this plan. Can you  
18 tell me why you figured that was going to be -- that we  
19 didn't need that anymore?

20 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: Yeah,  
21 Bob Fujii, Special Waste Division.

22 What we're going to do is incorporate that into  
23 our existing civil engineering work that we're doing now.  
24 Because it's really a component of a prerequisite to  
25 projects that we'll be doing with other agencies, for

1 example, CalTrans, when we did the Dixon landing project.  
2 It was -- the regional water quality control board in  
3 Region 2 that required us to do some analysis of the  
4 impacts of tire chips below groundwater table before they  
5 went ahead and approved that project. We're anticipating  
6 that we'll probably be doing the same thing with that same  
7 region for doing other projects in there.

8           And so we're going to go ahead and initiate that  
9 study. Rather than use a separate line item, use existing  
10 funding that we have in those contracts now rather than  
11 tie up more of the Board's money in a separate effort.  
12 Because we've already started that effort already under  
13 that previous contract.

14           CHAIRPERSON PEACE: Well, as long as it's covered  
15 somewhere. Because I guess I was under the impression  
16 that was something that we needed to do to move along with  
17 more tire chip projects that would be below the water  
18 level.

19           WASTE TIRE MANAGEMENT SUPERVISOR FUJII: We  
20 should have made that clear to you. I apologize. And  
21 that's something we are going to cover in the existing  
22 contracts though. And it's an effort we're not going to  
23 drop.

24           CHAIRPERSON PEACE: Okay. Thank you.

25           MS. FRENCH: Okay. Before we call up Terry

1 Leveille, we did just receive a FAX from the West Valley  
2 Citizens Air Watch. They have joined us at several of our  
3 workshops. They were unable to make it, but they have  
4 provided written comments. So I will hand those out while  
5 Mr. Leveille provides his testimony.

6 MR. LEVEILLE: Committee members, Board members,  
7 Board Chair Marin. Terry Leveille, TL & Associates.

8 Just wanted to -- on behalf of Lakin Tire West,  
9 they'd be more than happy to help participate in the  
10 border outreach reports since they are a -- a number of  
11 the used tires that they sell go to Mexico as well as  
12 Central America and other places. So that they would be  
13 more than happy to help out in that regard.

14 And I just wanted to comment just briefly on  
15 behalf of the life-cycle assessment on DTSC. It looks as  
16 if the greatest diversion of tires from landfills this  
17 year is going to be to TDF, possibly 8 million tires. And  
18 that technology along with crumb rubber and civil  
19 engineering would seem to be the three more obvious ones,  
20 if indeed it is approved. And it would seem to behoove  
21 the Board I think to try in any manner to see if there  
22 could be reached accommodation to use that as one of the  
23 three criteria or the three areas of study. And to not  
24 use it would sort of mean that the report is "So what." I  
25 mean we're talking significant amounts of tires that are

1 being used in one form or another with two cogeneration  
2 facilities, four cement plants and possibly a fifth down  
3 the line, each of them ramping up to -- a couple of cement  
4 plants are using up to 25 percent of their fuel source as  
5 a TDF.

6 So just a thought. And I know that's going to be  
7 a subject for further consideration down the line.

8 Thank you.

9 MS. FRENCH: Next we have Barry Takallou with CRM  
10 Company.

11 MR. TAKALLOU: Barry Takallou with CRM Company.  
12 I'm also Chairman of the Rubber Asphalt Committee for  
13 California Asphalt Pavement Association.

14 I've noticed for next five years there is no  
15 money set aside for researching RAC. And one of the areas  
16 of the need we have to find in our committee, find a  
17 proper mix design for local roads.

18 Recently we are finding in the local roads  
19 because of the damage caused by garbage trucks -- heavy  
20 garbage trucks, the rubberized asphalt is being -- the  
21 traditional rubberized asphalt mix design is being damaged  
22 during the garbage pick-ups.

23 And we would like this area to be researched and  
24 find appropriate mix design for local street and roads.  
25 And we'd like to see if some money can be set aside to

1 research and find appropriate mix design for use of RAC  
2 for low volume roads.

3           And I'd like to see if they -- it's kind of --  
4 we're putting so much attention on RAC on the market. But  
5 at the same time I see a zero dollar for next five years  
6 on research on RAC. Perhaps the area of the civil  
7 engineering, which is set aside \$500,000, can slash civil  
8 engineering and RAC, if there's some extra money in civil  
9 engineering can be shared with some of the RAC programs,  
10 RAC research.

11           BOARD CHAIRPERSON MARIN: Barry, I need to ask  
12 you -- I probably missed it. But are you suggesting that  
13 the RAC, the usage of RAC on the regular streets is not as  
14 efficient, as good as not using RAC? Is that what you  
15 were saying? I need to be clear on this. I don't  
16 understand. What is it that you're saying?

17           MR. TAKALLOU: See, the -- CalTrans when they  
18 make a mix design for CalTrans roads, they're for  
19 freeways. They're using a large size aggregate. They  
20 have a different application: Heavy traffic but high  
21 speed. But when you're looking at local streets like into  
22 a cul-de-sac turning movements, you cannot use the same  
23 mix design for that type of a street. I'm not saying it's  
24 not appropriate, RAC, for local streets. But needs to be  
25 a little bit different mix design.

1           Needs to be studied, what kind of a mix design  
2   should be used for that type of application? You cannot  
3   have one mix design for freeways and local roads. And  
4   right now the research one given to CalTrans, they're  
5   looking to CalTrans type of roads, which mainly freeways,  
6   highways. And recently we are getting reports of some  
7   damage on RAC projects on the local streets, mainly by  
8   garbage trucks.

9           BOARD CHAIRPERSON MARIN: Do you have some of  
10   that information? I'm very interested in that, because  
11   that goes against everything that I have heard said about  
12   RAC. So if that is true -- I don't want this to be an --  
13   you know, we can't make a decision. I mean what you're  
14   saying has very serious implications. So I need to get --  
15   whatever information you're having, I need to have you  
16   share that with us. Because either I'm misinterpreting  
17   what you're saying or we're going down a very wrong way.  
18   So --

19           MR. TAKALLOU: No, no. It's normal. You're  
20   always looking for improvement of the product. So I do  
21   not want everybody think we reached to 100 percent RAC is  
22   a solution for all of the projects.

23           There are millions of dollars being spent on even  
24   normal asphalt on an annual basis on research. You're  
25   always improving. But this coming Monday the National

1 Asphalt Association meet in Long Beach. There are 400  
2 people -- asphalt technologists are going to come to Long  
3 Beach to discuss just normal asphalt.

4 There's a continuing research with just --

5 BOARD CHAIRPERSON MARIN: So what you are  
6 suggesting is that we study -- what you are asking is for  
7 us to study the use of RAC in residential areas versus  
8 highway areas, is that --

9 MR. TAKALLOU: Yes. There is some -- it's not a  
10 study -- it's not like, you know, you cannot use it  
11 residential if you're using it successfully. But we are  
12 getting some reports of turning movements of garbage --  
13 heavy garbage trucks at the end of a cul-de-sac may be  
14 moving the traditional RAC.

15 BOARD CHAIRPERSON MARIN: This may be  
16 something -- I mean that's fine. I don't know that we  
17 will agree that we have that, but --

18 CHAIRPERSON PEACE: Well, I've heard that too in  
19 terms of large intersections. And I thought I heard that  
20 actually you probably shouldn't be putting RAC like in  
21 large intersections and stuff where there is that constant  
22 turning.

23 Have we heard anything about this? I mean  
24 Arizona uses this on their residential streets and on  
25 their freeways. Have we heard anything about a problem --

1           MR. GAUFF: I'm Nate Gauff from the Special Waste  
2 Division.

3           I don't know if we've gotten any specific  
4 information from Arizona or anywhere else in the nation.

5           I think what Barry's bringing up is a point -- is  
6 certainly a point that has arisen with rubberized asphalt,  
7 including using it in parking lots, which is why we don't  
8 really recommend it being used in parking lots, because  
9 you have the same issue.

10          Like he said, with the CalTrans design and most  
11 designs with residential streets, it's for traffic, for  
12 continual traffic at a certain speed and a certain load  
13 and that type of thing.

14          This might be something -- if the Board chooses,  
15 I mean this might be something we could address through  
16 the tech centers, because we did put in their contracts to  
17 do special projects. And this certainly is more of a  
18 local problem than a state or interstate problem.  
19 Because, like he said, it's -- I think this shows up more  
20 on the residential streets where -- you know, where the  
21 speed limits are very low and, like he said, you got dead  
22 ends or short turning radiuses.

23          However, I would say given the fact that we've  
24 only put 75,000 in each of the tech centers' budgets for  
25 the next year, that may not be enough to cover an

1 investigation, you know, sufficiently. So it might be an  
2 issue where the Board might want to -- or the Committee  
3 might want to look to setting aside a little more money  
4 toward this effort.

5 CHAIRPERSON PEACE: And so organizations like the  
6 RPA aren't already doing studies like this?

7 MR. GAUFF: You know, I don't know, but I doubt  
8 it. Because I don't think it's as big an issue in the  
9 sense that -- you know, there's only certain jurisdictions  
10 that use it on most of their residential streets. A lot  
11 of -- at least, with my understanding -- and, Barry, maybe  
12 you can correct me if I'm wrong -- I think most  
13 jurisdictions use it on their throughways, where there's  
14 higher speeds, higher traffic volumes and that type of  
15 thing. Now, I know in Sacramento County, on my street in  
16 particular, they do use rubberized asphalt. They put a  
17 one-inch blanket of rubberized asphalt on there. And, you  
18 know, this problem may show up on my street with the  
19 garbage trucks coming through my neighborhood.

20 So what I'm saying is that I think this is only  
21 an issue for certain jurisdictions that have a tendency to  
22 use it everywhere on all their residential streets or as  
23 many as they can cover in whatever particular, you know,  
24 timeframe versus the jurisdictions that use it just for  
25 the thoroughfares and the high volume type streets.

1 COMMITTEE MEMBER WASHINGTON: Madam Chair?

2 Nate, wasn't there a project that we did with DGS  
3 on -- and you just mentioned a parking lot -- where they  
4 used RAC as a surface material and it failed? And so  
5 they're looking at -- and they're saying that they need to  
6 go back and look at the specs? With DGS.

7 MR. GAUFF: Yeah, the only project that I'm aware  
8 of is we did a project with DGS, and I think it was at the  
9 Department of Justice facility.

10 COMMITTEE MEMBER WASHINGTON: Was it a parking  
11 lot?

12 MR. GAUFF: Yeah, it was a parking lot.

13 To tell you the truth, I haven't heard that it's  
14 failed. But I think it's performed pretty much like any  
15 other parking lot. I mean you don't see the benefits of  
16 rubberized asphalt in a parking lot. So I mean I can't  
17 answer you to say it's failed per se, but I haven't heard  
18 anything to that extent.

19 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: One of  
20 the other things to consider as we go forward with our RAC  
21 program is that what we're trying to promote now with all  
22 uses of our civil engineering program is focus on the uses  
23 that we know have established successful performance. And  
24 given the fact that we haven't got a huge -- you know, in  
25 relative terms, a huge participation by the local

1 governments in the RAC program, I think what we'd like to  
2 do -- I mean we'd be happy to research anything if it  
3 appears that it's going to be a barrier for us promoting  
4 this program certainly.

5           But if it's an issue that we can just simply  
6 recommend that there are certain applications or streets  
7 or parking lots where we don't want to do this, maybe  
8 that's what we should be focusing on now and trying to get  
9 greater participation in use of the material for what we  
10 know are successful applications now. And certainly we  
11 can be talking about what are some of the barriers for  
12 some of these other applications that we haven't -- that  
13 we're not -- that we don't want to try now? Maybe we can  
14 be exploring those. But why don't we focus on let's get  
15 all these guys on board first and then think about some of  
16 the other uses that maybe we could research.

17           But, anyway, just a suggestion.

18           MR. TAKALLOU: I just want to make sure for  
19 record that I clarify myself. I did not say use of RAC  
20 product for local street, it doesn't work. Garbage  
21 trucks --

22           CHAIRPERSON PEACE: Just suggesting that it could  
23 work better if we maybe did research and developed a  
24 mixture that would work better?

25           MR. TAKALLOU: Yes. The heavy garbage trucks

1 damaging our commercial asphalts, that needs to be worked  
2 on it too. And it can be improved in that type of  
3 applications. I'm just saying this is an item in research  
4 was recognized in our committee needs to be looked in to  
5 it. Perhaps we can improve on a mix design for local  
6 streets, low volume streets. And I've got to remind you  
7 even CalTrans got three different types of grade of  
8 rubberized asphalt. There's not like one formula for  
9 every type of roads.

10 BOARD CHAIRPERSON MARIN: Okay. I appreciate  
11 that. But I certainly do agree with Bob. I think that  
12 our -- I'm sorry.

13 I appreciate that Barry. I just -- you know, I  
14 have my antennas that go up -- every time some people, you  
15 know, make generalizations or whatever my antennas go  
16 really high. We're attempting to do a certain thing.

17 And what I would certainly support is the  
18 enhancement, the better way that we can tell jurisdictions  
19 to use RAC on those projects that we know today that are  
20 very successful. That we spent our energy, time and  
21 effort in moving forward with more and more jurisdictions  
22 using those RAC products in the areas that we already know  
23 that there is a track record that -- and they can use a  
24 lot of RAC versus, you know, spending some money on a very  
25 small percentage of jurisdictions that may right now just

1 use RAC on those particular streets.

2 MR. TAKALLOU: The reason local jurisdictions  
3 they like to use it on low volume roads, because of the  
4 noise benefit of RAC. They'd like to use it. But if we  
5 can also improve this area, that's another benefit. We --  
6 actually local agencies insisting they want to use on the  
7 low volume roads.

8 DEPUTY DIRECTOR LEE: Madam Chair, if I may  
9 suggest again. We'd like to kind of review the  
10 information that Mr. Takallou's going to provide, take a  
11 look at where we've got, you know, funding available and  
12 existing contracts the Board has approved that, you know,  
13 might be able to handle additional research. And then  
14 when we come back before the Board in May we'll be able to  
15 make a recommendation either, you know, for this  
16 particular additional research or to be able to suggest  
17 that it's being accommodated elsewhere within the plan.

18 BOARD MEMBER MULÉ: Madam Chair, if I may.

19 Mr. Takallou, could you provide our staff with a  
20 list of these communities that are having problems with  
21 RAC? Would you be able to do that for us?

22 MR. TAKALLOU: Yes.

23 BOARD MEMBER MULÉ: Okay. Thank you.

24 MR. TAKALLOU: Again, I want to clarify. It's  
25 not a problem. It's an improvement. It's not like --

1 BOARD MEMBER MULÉ: No, I understand.

2 MR. TAKALLOU: I'm not reporting a failure.

3 BOARD MEMBER MULÉ: No, no. I understand exactly  
4 what you're asking for. But what I would like to know is  
5 what communities are experiencing these problems and how  
6 prevalent is the problem.

7 MR. TAKALLOU: And it could be other problems  
8 we're going to be -- next 57 years just when I don't see a  
9 any research dollar on RAC for next five years, you  
10 know --

11 BOARD MEMBER MULÉ: Right, that's okay. No, I  
12 just would appreciate that information. Thank you.

13 MR. TAKALLOU: We'll provide you that.

14 Thank you.

15 MS. FRENCH: Next we'll have Michael Blumenthal  
16 from RMA.

17 MR. BLUMENTHAL: Madam Chair, members of the  
18 Board. Good morning still. My name is Michael  
19 Blumenthal. I'm with the Rubber Manufacturers  
20 Association.

21 CHAIRPERSON PEACE: Michael, excuse me. Can you  
22 hold on just one second?

23 MR. BLUMENTHAL: Sure. As long as it doesn't  
24 take my five minutes.

25 CHAIRPERSON PEACE: Back to what Barry Takallou

1 was saying. When we talk -- when we get in the next  
2 section we're talking about the media and outreach and  
3 trying to get the decision makers. I guess at this point  
4 we maybe want to make sure that the people that we hired  
5 to do this isn't going to be pushing it for residential  
6 roads and, you know, push it for the longer haul roads.

7 Okay. Go ahead.

8 MR. BLUMENTHAL: Thank you.

9 I'm hear to talk about the issues of the  
10 U.S.-Mexico border. I don't think the \$75,000 study's  
11 going to get you more than the fact that you have some  
12 haulers from the U.S. bringing tires across the border.  
13 But most of them are done il -- not -- or unlawfully.  
14 There's a lot of bringing -- there's a lot of tires coming  
15 across by Mexicans that do not have any kind of legal  
16 status or representation. This is a fairly well known  
17 fact.

18 So I'm not sure the money is going to be really  
19 addressing the major issue, which is what to do with the  
20 tires across the border. I don't think there's any  
21 stopping tires from going across the border. The issue  
22 is: Once they're over there, what can we be done?

23 My organization is trying to help coordinate the  
24 tire activities between two EPA regions, Regions 6 and 9,  
25 as well as to four U.S. states, as well as with the

1 headquarters of EPA. We have on our website some  
2 information on what some states have done, what some of  
3 the federal government agencies have done. And we're  
4 starting to make contacts with our Mexican counterparts to  
5 get information on their programs on to our website so  
6 there is a one-stop shopping for information on  
7 U.S.-Mexico border projects.

8           What we want to suggest is that you increase the  
9 amount of money spent on U.S.-Mexico border programs. And  
10 what we suggest is use that money for educational programs  
11 to train the folks on the Mexican side of the border on  
12 the markets for scrap tires. There's an interest in  
13 rubber-modified asphalt. There's an interest in using  
14 rubber-modified asphalt as a spray on some of their  
15 unpaved roads. There is great potential in civil  
16 engineering applications. There's interest in making  
17 products out of tires.

18           I've had a series of discussions with North  
19 American Development Bank, with the Border Environmental  
20 Cooperative Commission, as well as with several other  
21 state health departments in Mexico as well as their  
22 counterparts here in the U.S. There is great interest and  
23 there's a lot of information out there.

24           In other words, the tires will continue to go  
25 across the border if -- if there are no markets in Mexico,

1 they're going to continue to pile up. Right now the piles  
2 are going to kilns. They're being used for cement kilns.  
3 There's nothing wrong with that. But it's not going to  
4 stop the flow of tires and it's not going to use all the  
5 tires which they have over there. The only way to protect  
6 the interests here in California is to help create markets  
7 in Mexico.

8 California has resources. They have educational  
9 programs. They have companies that can do the work there.  
10 What it's going to take is to educate the public and  
11 private sectors. And we'd like to suggest that California  
12 lead in this effort to help set up training programs on  
13 the U.S. side that can help promote markets and better  
14 management for tires along the entire U.S.-Mexico border  
15 area.

16 We'd be very happy to sit down with staff and go  
17 over what has been done by other states as well as what  
18 can be done and look at the impacts of those programs.

19 BOARD MEMBER MULÉ: Thank you.

20 CHAIRPERSON PEACE: And who would do that  
21 education?

22 MR. BLUMENTHAL: That could be done through --  
23 like, for example, on rubber-modified asphalt, it could be  
24 done by CalTrans, it could be done by the companies that  
25 actually are paving roads. On civil engineering, it could

1 be done through Waste Board staff. Certainly we have a  
2 lot of training programs in all of these. There is ample  
3 information out there. There's ample resources out there.  
4 Like I said, someone has to take the lead and help set up  
5 these educational programs. We'd like to be involved  
6 through a coordinating effort. We have contacts on both  
7 sides of the border, and I think we can help bring the  
8 important audience --

9 CHAIRPERSON PEACE: No, this is important. But  
10 shouldn't the U.S. EPA be taking the lead in this?

11 MR. BLUMENTHAL: EPA has some programs ongoing  
12 now. But they don't have the resources that this  
13 organization has. They don't have the staff. They don't  
14 have the expertise. They don't have the folks like Nate  
15 who's working in asphalt or Stacey Patenaude working in  
16 civil engineering or Dana Humphrey who's your consultant  
17 in this program. They don't have the resource. They have  
18 to come to you or to us. Certainly EPA Region 9 would be  
19 part of it. I met two weeks ago with the people -- with  
20 some of the staff at headquarters of EPA. They're  
21 involved. But they are -- because things the broken down  
22 to the regional offices, there's not that good of a  
23 coordinated program. So what's going on in Region 6 may  
24 or may not be known in Region 9.

25 So that's -- these are the things that we're

1 trying to help with. But I do think that given your  
2 resources and the impact that it has on your state, I  
3 think this agency certainly can make the lead in providing  
4 the educational packages that can help solve the problems  
5 across the border that have an impact on the environment  
6 here in California.

7 CHAIRPERSON PEACE: Well, can the RMA provide us  
8 any money to help us with that?

9 MR. BLUMENTHAL: We can certainly help to bring  
10 all of the major players in there. I'm sure we have some  
11 in-kind services that we'd be glad to offer up.

12 CHAIRPERSON PEACE: Okay. Does our staff have  
13 any thoughts on what's been said?

14 MR. BLUMENTHAL: There will be a panel on the  
15 U.S.-Mexico border issues at the tire conference in  
16 Ontario. That might be a good place to start some of the  
17 discussions. I'd be happy to come back here and sit down  
18 with staff and go over what is currently being done and  
19 try to put some ideas -- put some concrete thoughts behind  
20 these ideas.

21 DEPUTY DIRECTOR LEE: Madam Chair, just a few  
22 comments.

23 You know, our direction heretofore through the  
24 five-year plan again is to provide technical outreach and  
25 assistance. And we've done that in the past through, you

1 know, the training for the Mexican haulers. I'm sure  
2 some, you know, limited work along the lines that  
3 Michael's suggesting I think is already probably going on.  
4 The tire conference that he mentioned is probably a good  
5 case in point. I guess it gets just down to a matter of  
6 the resources that the Board wants to potentially devote  
7 to this particular effort.

8           So I guess at this particular point what I'd like  
9 to do is to have some further discussions with Mr.  
10 Blumenthal, make sure I understand exactly what the  
11 proposal he has on the table and also the costs that he  
12 foresees for this particular effort. And then ask, you  
13 know, the Board in May for their determination on whether  
14 they want to go down that path.

15           MR. BLUMENTHAL: Thank you.

16           MS. FRENCH: Thank you.

17           Next we have Scott Smithline with Californians  
18 Against Waste.

19           MR. SMITHLINE: Good afternoon.

20           I broke the microphone.

21           Scott Smithline with Californians Against Waste.

22           I just have a few comments I'd like to make.

23 Starting I'd like to echo the comments of Mr. Takallou.

24           And I'd just like to remind all of us that there  
25 are no silver bullets when it comes to dealing with tires.

1 RAC is not a silver bullet. Civil engineering is not  
2 going to be a silver bullet either. And all of these  
3 technologies need to be refined over the years. And as we  
4 encourage CalTrans and others to use more these  
5 technologies, we need to continue to refine them. I think  
6 the issue raised by Mr. Takallou is a good example and an  
7 opportunity to do that, so we can increase the use in  
8 these neighborhoods as opposed to moving away from using  
9 it in these neighborhoods. So I would support reassessing  
10 that.

11           The second issue is regards to the life-cycle  
12 analysis. When that issue was first brought -- or when I  
13 was first aware of that issue being brought in front of  
14 this Board, Chair Peace, you asked Californians Against  
15 Waste and Sierra Club, who was present at the time, if we  
16 would support that. And we both supported it with the  
17 understanding that this would be a study that would look  
18 into the issues that were of concern to the environmental  
19 community.

20           Looking at the budget for this item, I'm not sure  
21 that a life-cycle analysis for -- is it \$150,000, is going  
22 to be able to do that. This Board just spent a million  
23 and a half dollars to try and do that on conversion  
24 technologies. And OEHHHA's still saying that there's not  
25 enough data available to determine the public health

1 impacts from conversion technologies. So I'm just  
2 concerned that this may not get us where we want to go.  
3 I'm not withdrawing my support for this item, but I just  
4 am voicing that concern.

5 And, finally --

6 CHAIRPERSON PEACE: I voiced that, yes. I voiced  
7 that same concern, because \$150,000 didn't really seem to  
8 be enough for a study. But that is what DTSC is telling  
9 us that they need; is that correct?

10 Oh, is somebody going to -- oh, I thought  
11 somebody was going to speak.

12 MR. SMITHLINE: Shall I continue?

13 CHAIRPERSON PEACE: Yeah, go ahead.

14 MR. SMITHLINE: And then, finally, with regards  
15 to CalTrans, we have found CalTrans to be reluctant across  
16 many media to be engaging in purchasing of recycled  
17 materials, whether that's compost or organic materials or  
18 whether it's rubber materials. And I'm just wondering if  
19 we're going to now spend a third of a million dollars to  
20 test -- every year to test these materials? According to  
21 CalTrans standards, has anybody asked whether they will  
22 accept the results from these tests? Because they often  
23 like to do their own testing.

24 And those are my comments.

25 CHAIRPERSON PEACE: Okay. Thank you, Scott.

1 WASTE TIRE DIVERSION MANAGER DELMAGE: Did you  
2 have a question on that last comment?

3 CHAIRPERSON PEACE: I thought you were going to  
4 make a comment.

5 MS. FRENCH: Okay. Next we have Tom Faust with  
6 Redwood Rubber.

7 CHAIRPERSON PEACE: Yes, I don't know if you came  
8 in late or not, Mr. Faust. But at the beginning I did say  
9 people could talk on any subject. But we do need to limit  
10 their comments to five minutes.

11 MR. FAUST: Thank you.

12 (Thereupon an overhead presentation was  
13 Presented as follows.)

14 MR. FAUST: Good afternoon, Madam Chair and Board  
15 members. My name is Tom Faust from Redwood Rubber. And  
16 what I want to talk about is a comparison of the two  
17 budget plans: The budget plan that we have that we  
18 started out in 2001 as opposed to the current one that's  
19 proposed.

20 --o0o--

21 MR. FAUST: So I want to talk about where we are.  
22 And unfortunately the state's data ends at 2002. So we've  
23 had to extrapolate and do our best projections on -- with  
24 market knowledge.

25 So what we're showing is that the number of

1 California tires that have actually been recycled -- and  
2 the definition of recycling is -- there was a statute that  
3 defines recycling as opposed to anything else. It's  
4 fallen from -- actually it was 40 percent there for a  
5 while. But it's fallen from, most recently in 1980 and  
6 1998, from 38 percent down to 19 percent as of last year.

7 --o0o--

8 MR. FAUST: And if you look on the next page, you  
9 can -- it shows it even more.

10 So what it's shows is that the existing programs  
11 that we're spending money on -- you know, we were  
12 spending -- in 1995 we were only spending 48 million a  
13 year and accomplishing double the amount of recycling that  
14 we're doing right now. And here we're spending three --  
15 four times the amount and accomplishing less than we did  
16 in 1995 -- or 1998.

17 --o0o--

18 MR. FAUST: Chapter 707 Section 7 of that says  
19 that the money is supposed to be spent on developing  
20 markets and new technologies for used tires, and the  
21 Board's expenditure shall reflect the priorities of the  
22 waste hierarchy.

23 Now, if we --

24 --o0o--

25 MR. FAUST: Somebody's turned off the electricity

1 here or the battery's not working.

2 WASTE TIRE DIVERSION MANAGER DELMAGE: They'll  
3 get you.

4 MR. FAUST: Can you do it manually -- manual  
5 switch?

6 Just do a manual switch.

7 This is the next one.

8 --o0o--

9 MR. FAUST: Okay. Thank you.

10 So, as we know, California's PRC 4051 uses the  
11 word "shall" do both of the following. And it doesn't say  
12 "may". So the Legislature has said you shall do it, and  
13 in order -- and they use the words in order of priority:  
14 "Source reduction, recycling." Item 3, land disposal and  
15 burning is at the bottom of the rung only as a last  
16 resort.

17 And could we have the next slide please.

18 --o0o--

19 MR. FAUST: Okay. So what I'm saying is that I  
20 believe that we're kind of interpolating the law here in  
21 our new budget. We initially had five million for civil  
22 engineering land disposal, and that accomplished far less  
23 recycling than we were doing before. And we initially had  
24 ten million devoted towards research and new technology.  
25 And now we're slashing that down, but we're increasing

1 civil engineering. When I saw that nine and a half  
2 million dollars was proposed to spend on civil  
3 engineering, I couldn't believe it. That's burying tires,  
4 you know, whether -- and according to the PRC 4051, that  
5 is at the bottom of the rung.

6 Next slide please.

7 --o0o--

8 MR. FAUST: I'm asking that we follow  
9 sustainability. Governor Schwarzenegger is a fan of  
10 sustainability and not subsidies. And I want to point out  
11 that the leading picture on your budget plan, I contacted  
12 them and -- down in Garden Grove, California, where they  
13 had this playground picture. And they said they got  
14 \$25,000 to -- and they matched it. And, anyway, it  
15 amounted to an 87 cent a pound subsidy.

16 And they said that the subsidies even go even  
17 higher on the amount of tires that are recycled into other  
18 playground surface areas.

19 So what I did is I divided on Item 2, Civil  
20 Engineering, three million pounds a year into the amount  
21 of averaged funds that you would be spending. And it  
22 comes out to 31 cents. And that's just money down the  
23 toilet, so to speak. It doesn't create a new industry.  
24 Without this subsidy and without the money you're spending  
25 on playgrounds, none of these things could self-sustain.

1 So what it is, it's pure subsidy for a non-sustaining  
2 purpose, something that Arnold Schwarzenegger is not in  
3 favor of.

4 MS. FRENCH: Please wrap up your comments.

5 MR. FAUST: Item 3 is ultrasonic devulcanization.  
6 We're asking for a grant that will help bring forth a  
7 plant. And we're asking for -- anyway, that cost is  
8 compared to -- this is a one-time shot. And you can see  
9 it would be 28 cents a pound.

10 Next slide please.

11 --o0o--

12 MR. FAUST: New directions for the budget. Right  
13 now there's no devulcanized rubber being made in  
14 California. And we're asking that -- with this, it will  
15 allow at least 32 percent of the rubber and possibly more.

16 Next slide please.

17 --o0o--

18 MR. FAUST: The previous plan has proven to be a  
19 bad plan. By merely changing the figures, you know, we're  
20 not achieving our goals. I believe that the state spent a  
21 hundred thousand dollars. And they have the facts and  
22 they know that devulcanization is a technology that holds  
23 the most promise. It was a hundred thousand dollars. You  
24 should be using that knowledge to further it along. And  
25 as you see in the thing, you have zero allocated.

1 I spoke to Mitch Delmage recently and I said,  
2 "Did you ever convey your thoughts on devulcanization to  
3 Cheryl Peace?" And this is what he said, I reiterate  
4 roughly back. He says -- he said, I don't know if it's  
5 going to" -- "I don't know if it's going to work, but I  
6 think it's a good idea and I really don't know." And that  
7 was more or less what he said.

8 And so I asked Mitch what his background was to  
9 come to that conclusion. And he said he had an  
10 undergraduate degree in environmental science. And I  
11 said, "Okay. Well, I can understand why you could say you  
12 really didn't know, because you're not a chemical  
13 engineer, you're not an elastomer engineer. You could not  
14 really professionally opine as to whether or not it would  
15 be a successful technology."

16 But National Science Foundation has funded all  
17 these grants. They're all public knowledge. There are 17  
18 published papers.

19 I submit that Professor Victor Chang at  
20 University of Southern California of The Los Angeles  
21 Rubber Group, and that's -- acronym is TLARGI-- has  
22 vouched for this particular technology. And his letter is  
23 attached. And he would like to see it implemented here in  
24 California. And he has all the -- he's read all the  
25 reports that the state has published. He's followed it

1 through. And he believes -- as he says in his attached  
2 letter, California does not have any -- within its state  
3 university system does not have any rubber elastomer  
4 educational training programs. And the only one that does  
5 in the west in California is at the University of Southern  
6 California. Anyway, they would -- their professional  
7 knowledge, if you believe in local knowledge, is that this  
8 is the way to go.

9 That concludes my short remarks. And if the  
10 Board has any individual questions, I'd be happy to answer  
11 your questions.

12 CHAIRPERSON PEACE: Okay. Thank you.

13 Any questions?

14 But I don't think we have any questions.

15 What I do want to say, in our report on  
16 devulcanization, we did show that ultrasonic -- in terms  
17 of devulcanization that ultrasonic was the most promising.  
18 I agree with that. But right -- but the report also said  
19 there still is not a market for devulcanized rubber at  
20 this time because it still can't compete with the price of  
21 virgin.

22 MR. FAUST: Ms. Peace?

23 CHAIRPERSON PEACE: There has to be a market.

24 MR. FAUST: There has to be a market. And I met  
25 with you and I showed you -- I had a purchase order for

1 \$20 million worth of merchandise. If that isn't evidence  
2 of a market, I don't know what is.

3 CHAIRPERSON PEACE: Yeah. And hopefully you'll  
4 be able to get some investors to do that, because you  
5 showed me the panel and stuff that you want to make.

6 MR. FAUST: The investors are waiting for a  
7 grant, they're waiting for --

8 CHAIRPERSON PEACE: The investors are the ones  
9 that need to put up the money.

10 MR. FAUST: The investors will match whatever --

11 CHAIRPERSON PEACE: Yeah, I don't want to get  
12 into this argument. But I say --

13 MR. FAUST: I'm not arguing. I'm just offering  
14 information.

15 CHAIRPERSON PEACE: -- the tiles that you're  
16 proposing that you showed me that would have the solar  
17 panels in them, I think that is an excellent idea. And  
18 the government -- and the Governor's new plan for his one  
19 million homes to have solar panels on them within the next  
20 ten years hopefully will get you the investors that you  
21 need to see this thing through, because it is a good idea.

22 I'm telling you right now I don't think the Board  
23 has \$3.5 million to give you right now. And when you met  
24 with me, I already did explain to you that the Board had  
25 already given you a grant and there were some discrepancy

1 in that. And we came to the conclusion, and we already --  
2 we sent it to the Office of Administrative Law and through  
3 our Legal Office here that shows that, you know, you still  
4 didn't follow through on your last grant, that you owe the  
5 Board money, and there's no legal way that we can give you  
6 a new grant right now.

7 MR. FAUST: Thank you for your --

8 CHAIRPERSON PEACE: I'm really, really sorry  
9 about that, but that's the way it is.

10 So thank you for being here. And good luck,  
11 because I think --

12 MR. FAUST: Thank you for your time.

13 CHAIRPERSON PEACE: -- I think your solar panels  
14 are a good idea.

15 MR. FAUST: Thank you.

16 WASTE TIRE DIVERSION MANAGER DELMAGE: All right.  
17 We're ready to move into markets. It's 11:25 -- or 12:25.  
18 I'm sorry. Your preference on whether you believe we  
19 could make it through markets quickly or whether you'd  
20 like to take a break first.

21 CHAIRPERSON PEACE: I don't know. Markets is  
22 probably going to be the longest -- right?

23 DEPUTY DIRECTOR LEE: Yes.

24 CHAIRPERSON PEACE: How many people here want to  
25 speak on markets?

1 MS. FRENCH: We have speaker slips for I think  
2 four.

3 CHAIRPERSON PEACE: Well, do you want to take a  
4 break and, you know, go ahead and go to lunch? Because  
5 I'm -- Okay. Let's just go ahead -- I'm sorry. Sally.

6 MS. FRENCH: We had speaker slips for four on  
7 market development.

8 CHAIRPERSON PEACE: And the thing is I know Carl  
9 has to leave, but then Rosario will be back.  
10 So can we go ahead and go to lunch?

11 COMMITTEE MEMBER WASHINGTON: No, that's fine,  
12 Madam Chair. You'll come back about 1:30ish or something  
13 like that?

14 CHAIRPERSON PEACE: Well, I'm thinking like 1:15,  
15 just maybe go down to the cafeteria there or something  
16 real quick and be back by 1:15.

17 COMMITTEE MEMBER WASHINGTON: Okay. That's fine.

18 And let me just say, because I might not get the  
19 opportunity, that I and my advisor have went through this  
20 plan. And I want to say that the staff has done a  
21 remarkable job on this five-year tire plan. Sally and  
22 Victoria and Mitch and Jim, all you guys, Bob, you have  
23 really done a great job on this. And I tell you, you  
24 answered a lot of my questions, which really says a lot in  
25 terms of not taking up much of your time to get this out

1 so we can get this thing done.

2 But I do as a committee member of the Special  
3 Waste Committee want to say that I am very pleased with  
4 the type of job you guys have done on this plan. I really  
5 do appreciate it. Thank you very much.

6 CHAIRPERSON PEACE: You know, since we are going  
7 to go ahead and take a break, I guess I will change my  
8 mind and make it 1:30 just because Rosario did want to be  
9 here for this part, if possible. And she won't be done  
10 with her speech and back until 1:30.

11 (Thereupon a lunch break was taken.)

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1 AFTERNOON SESSION

2 CHAIRPERSON PEACE: Okay. Are we ready to begin?

3 It's not working again?

4 I'll just have to talk louder.

5 Let's get started.

6 WASTE TIRE DIVERSION MANAGER DELMAGE: All right.

7 For this afternoon we'll start with markets.

8 WASTE TIRE DIVERSION SUPERVISOR SIMPSON:

9 Good afternoon, Madam Chair. Frank Simpson with  
10 the Waste Tire Diversion Program again.

11 (Thereupon an overhead presentation was  
12 Presented as follows.)

13 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: We'll  
14 move to Table 9, page 54. This will be the budget for  
15 market development and new technology. And we'll begin  
16 today with the national product stewardship dialogue.

17 CHAIRPERSON PEACE: Actually can I go back and  
18 ask a question. One more question on research. Or I  
19 guess maybe Nate's not here. Oh, yeah, he is.

20 When I was looking on what we have under  
21 research, from what I understood, there still needed to be  
22 research on a couple things like utility cut patching and  
23 a little more research on the rubber sidewalks and  
24 whatnot.

25 Is that accounted for then in the RAC tech

1 centers? Is there going to be enough money in the RAC  
2 tech center stuff to do those little research projects  
3 that we still feel are needed?

4 MR. GAUFF: Yeah, I feel that we decided when we  
5 entered into the new agreements with the tech centers that  
6 we would put some money aside for special projects of the  
7 type of the utility cut patching and the -- you know, the  
8 rubber and concrete type applications. They may not be  
9 able to be funded out of specifically one fiscal year,  
10 but, you know, it might be a phased part of the project.  
11 I think we're going to address those issues within the  
12 context of the tech centers.

13 CHAIRPERSON PEACE: Okay. Thank you.

14 Okay. Now we can go to the next section.

15 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: Okay.  
16 The National Product Stewardship Dialogue for Tires is  
17 part of the Board's source reduction effort. This  
18 contract will facilitate implementation of a collaborative  
19 effort for the effective management of tires. The effort  
20 will complement, not compete with, existing efforts by the  
21 U.S. EPA and will assist in leveraging limited stakeholder  
22 resources while demonstrating California's leadership in  
23 tire management issues.

24 Proposed funding is \$75,000 in Fiscal Years  
25 2005-6 and 6-7, reducing to 50,000 in Fiscal Year 7-8, and

1 further reducing to 30,000 in Fiscal Years '08-'09 and  
2 9-10.

3           The Social Marketing Campaign to Promote  
4 Sustainable Practices. In the past few months Tire  
5 Diversion staff has been developing a comprehensive  
6 outreach and marketing plan to promote sustainable  
7 practices. It's intended to work as a coordinated effort  
8 with Board members, a RAC professional, the tire staff,  
9 the tech centers, the steering committee, and the public  
10 relations firm to create social modification in promoting  
11 the benefits and use of RAC and the care of tires. The  
12 plan calls for executive involvement peer to peer by  
13 mobilizing local governments and working in conjunction  
14 with a combination of targeted media and outreach.

15           Proposed funding is \$300,000 per year through  
16 2009-10.

17           The Targeted RAC Incentive Program --

18           CHAIRPERSON PEACE: I'm sorry. I have a  
19 question.

20           Can you explain to me a little more what we'll be  
21 doing with that \$300,000? Because \$300,000 isn't actually  
22 very much for a marketing campaign.

23           WASTE TIRE DIVERSION MANAGER DELMAGE: Go ahead  
24 and explain that.

25           WASTE TIRE DIVERSION SUPERVISOR SIMPSON: There

1 are -- actually it's a three-pronged campaign, where a  
2 portion of it will be for social marketing, another  
3 portion will be with the Office of Public Affairs. They  
4 will be doing more of a statewide campaign. And that  
5 works in conjunction with the tech centers and with the  
6 RAC professional. So this is just a piece of the puzzle.  
7 There are several elements in that puzzle.

8           WASTE TIRE DIVERSION MANAGER DELMAGE: And let me  
9 add as well on the social marketing. This comes out of  
10 two studies that were previously done. One was done in  
11 Chico where there were surveys done in eight different  
12 languages with various groups of people. And they looked  
13 at tire purchasing habits and tire care habits. And we've  
14 also done another study on social marketing and how to  
15 impact behavior.

16           So what we're looking to do with this is to focus  
17 it primarily on minority groups and be able to get the  
18 message out in various languages to talk about buying  
19 longer-lived tires, taking better care of your tires. And  
20 while we have that audience captive, we'll be able to give  
21 our message about RAC and civil engineering and diverting  
22 tires from landfills.

23           The reason we believe we can get a statewide  
24 program going this way is because many of the magazines  
25 and newspapers that will be getting our message through,

1 there's only a few in various languages. So we get to a  
2 very specific audience and we're able to leverage our  
3 money very well.

4 Plus, there's connections with what in social  
5 marketing are termed local JCPSS, you know, community  
6 leaders. We can get op-ed pieces, a lot of free media.

7 So I think for the money we're going to be able  
8 to get quite an impact statewide. And it's an area that I  
9 think that we haven't -- we haven't developed as fully as  
10 we might in the past.

11 CHAIRPERSON PEACE: If it's mostly going to be  
12 for news articles and op-ed pieces and stuff, still  
13 \$300,000 isn't a lot of money to be doing a social  
14 marketing campaign.

15 And then when we -- also when we talk about like  
16 brochures and stuff like that -- well, there goes Michael  
17 Blumenthal -- but with his group they do the Tire Smart  
18 brochures that tell people how to, you know, keep your  
19 tires inflated and all that. Seems like we could work in  
20 conjunction with that too.

21 And then the California Rolling Campaign and  
22 stuff, does this take into account --

23 WASTE TIRE DIVERSION MANAGER DELMAGE: We plan on  
24 working all these programs together. What this will  
25 provide us is we'll be able to take some of the brochures

1 that are maybe in English only and maybe Spanish only and  
2 also translate them into other languages and make sure  
3 that the message gets out throughout California.

4 Now, if you'd like us to add more money to that,  
5 we could look into that.

6 CHAIRPERSON PEACE: No, that wasn't what I was  
7 going to suggest.

8 BOARD MEMBER MULÉ: I think what -- Madam Chair,  
9 what you might be suggesting is to have a little bit more  
10 detail on what this program consists of. Is that what  
11 you're asking for?

12 CHAIRPERSON PEACE: Yes.

13 BOARD MEMBER MULÉ: So if staff can provide that  
14 information, just a bit more level of detail, because I  
15 too had some questions regarding this item.

16 CHAIRPERSON PEACE: Yeah, a little bit more than  
17 a non-traditional media campaign. A little bit more  
18 detail than that.

19 WASTE TIRE DIVERSION MANAGER DELMAGE: All right.

20 BOARD MEMBER MULÉ: Thank you.

21 CHAIRPERSON PEACE: Okay. Any other questions?

22 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: Our  
23 next category is Targeted RAC Incentive Program.

24 This program will be for first time users of RAC  
25 and will involve incentive grants to influence local

1 government agencies to use RAC. In addition, the Board  
2 will contract for a RAC technical expert to provide  
3 support to local government and CalTrans. The program  
4 will be conducted in conjunction with the outreach program  
5 we just talked about and with the upcoming public affairs  
6 program.

7 The continuing RAC Grant Program will be similar  
8 in scope to the SB 1346 grants for using RAC in local  
9 government paving projects. However, in this instance the  
10 Board will have the ability to set criteria for the  
11 program and to address changing markets.

12 Proposed funding is \$1,500,000 for FY's 2006  
13 through 7, 8, 9 and 10.

14 CHAIRPERSON PEACE: Let me just ask a quick  
15 question. You go back to the RAC Grant, the Item number  
16 4, the incentive program. For Fiscal Year '06-'07 that  
17 dropped. I'm just wondering why -- what, from 1.4 million  
18 to 1.3, it sounds like that's about when you're going to  
19 be gearing up for the big push on these things.

20 WASTE TIRE DIVERSION MANAGER DELMAGE: Excuse me.  
21 Which line item are you --

22 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: Right  
23 here.

24 MS. FRENCH: We had some extra money that was  
25 odd. Since those were at a million each, I added 400,000

1 to the first year and 307,000 to the second year. So it  
2 was just residual money that wasn't in another category.  
3 You had suggested during a meeting that maybe we look at  
4 increasing the RAC programs.

5 CHAIRPERSON PEACE: Yeah, I just thought it was  
6 kind of odd that it went down about the time it should be  
7 building up.

8 BOARD CHAIRPERSON MARIN: I have a question with  
9 this. And I'm trying to -- if -- and this is exactly what  
10 I alluded a little while ago with jurisdictions.

11 This particular program is capped at \$50,000 per  
12 jurisdiction, correct?

13 MR. GAUFF: Are you speaking in relation to the  
14 Kuehl Bill?

15 BOARD CHAIRPERSON MARIN: Where -- well, I  
16 thought there is a limit, that a jurisdiction can only get  
17 50,000 -- up to \$50,000 for using RAC.

18 MR. GAUFF: Well, under the current Kuehl Bill  
19 parameters that the Board approved, it's 50,000 maximum  
20 per project.

21 BOARD CHAIRPERSON MARIN: Per project.

22 MR. GAUFF: A hundred fifty thousand maximum per  
23 jurisdiction.

24 BOARD CHAIRPERSON MARIN: Up to three projects.

25 Okay. Now, that's because it's state law that

1 says that?

2 MR. GAUFF: Those are the parameters that were  
3 laid out in the bill?

4 BOARD MEMBER MULÉ: And the Kuehl Bill is  
5 sunsetting this year; is that correct?

6 MR. GAUFF: Actually it had provisions for  
7 funding through '05-'06.

8 BOARD CHAIRPERSON MARIN: Okay. The point that I  
9 want to raise is that for some of these jurisdictions, if  
10 they're going to use RAC, some of these projects are very  
11 significant, million dollar projects for a small part of  
12 their jurisdiction. Fifty thousand dollars is hardly an  
13 incentive, you know, to do anything when you consider a  
14 million, two million dollar project. You know, they're  
15 going to spend a lot of time, energy and effort trying to  
16 get \$50,000 when their expenditure -- their layout is a  
17 million, two million dollars.

18 However, if they put it as three different  
19 projects, well, they can get, you know -- so one project  
20 is from this street to this street, another project is  
21 from this other street to another street, you know, there  
22 can be some accounting, if you will.

23 I don't want to play games with the  
24 jurisdictions, you know. If they could get \$150,000, you  
25 know, so that it in fact is worth their while, they should

1 be able to get 150,000 and not play games and not, you  
2 know, mask it and -- it just -- it serves no purpose  
3 except filling out a lot of paperwork.

4           It would appear to me that if we're really  
5 serious about this, that we really take a look at how can  
6 we work with the jurisdictions so that they, in fact,  
7 if -- especially if they've never used RAC. You know, the  
8 ones that have used it, they realize that in fact it's  
9 good for them and it's good for the environment and they  
10 save money and blah, blah, blah.

11           But really, you know, I don't want the  
12 jurisdiction -- I don't want them to play games with us.  
13 You know, I don't want fussy math. I don't want that. If  
14 there is enough money to give them \$150,000, then we  
15 should give them \$150,000. And I don't know if it's the  
16 law that says that they can only do that. We're not  
17 encouraging -- our intent was not to encourage fussy math.

18           MR. GAUFF: Well, let me clarify a couple of  
19 issues.

20           As far as the Kuehl Bill program, which is the  
21 current program we have available, the bill says that the  
22 maximum reimbursement is \$2.50 per ton of material used,  
23 okay, up to a maximum of \$50,000. So if a jurisdiction  
24 has a 4,000 ton project, they're really entitled to  
25 \$10,000 under the Kuehl Bill. Okay? So that's under the

1 current program.

2 Under the incentive program, the first-time-user  
3 incentive program, what staff is proposing -- and we  
4 haven't finalized all the parameters. Obviously we'll be  
5 bringing that before the Board for final approve on  
6 criteria. But what we were thinking along the lines was  
7 that we would offer up to, say, \$100,000 per project for a  
8 jurisdiction. What that would include is some testing,  
9 we'd pay for some testing costs to make sure that the  
10 project was suitable. But the majority of the \$100,000  
11 would go to the differential cost of using rubberized  
12 asphalt versus conventional asphalt.

13 So if a jurisdiction had a 4,000 ton project, for  
14 example, and the differential cost was \$20 per ton, that  
15 would be an \$80,000 cost -- additional cost to the  
16 jurisdiction. And in a sense that grant would cover that  
17 entire differential cost. I mean obviously they're going  
18 to put something down there.

19 BOARD CHAIRPERSON MARIN: Right.

20 MR. GAUFF: So we felt this would be a good way  
21 basically to get the jurisdictions to use it with  
22 basically no risk to them. Because, you know, they would  
23 be using conventional materials. Now we're going to pay  
24 for the full differential cost of using a rubberized  
25 material.

1 BOARD CHAIRPERSON MARIN: I like that.

2 MR. GAUFF: Okay. So that's a little different  
3 from the Kuehl Bill program.

4 The other program that's proposed here in the  
5 five-year plan is a Kuehl-type program. Once again, the  
6 Board would have the ability to set that reimbursement  
7 level at whatever dollar amount they would like. If the  
8 Board said, you know, "We want to set it at \$100,000 per  
9 project," or, you know, "\$15 per ton to offset the  
10 differential cost," they would -- we would have -- or the  
11 Board would have that ability. And that would be  
12 something we would propose, once again, with criteria on a  
13 yearly basis and so we could change from year to year  
14 even.

15 BOARD CHAIRPERSON MARIN: Yeah. See, I'd much  
16 rather go with that thought. That makes -- that to me  
17 makes a lot more sense, because jurisdictions are not  
18 going to apply for \$10,000 when the project is a lot more.  
19 I mean that -- and I know -- well, they're -- of course  
20 the more money there is, the more people that want to take  
21 it. But if -- and, you know, this is why it's very  
22 important to have all this measurement -- what do you call  
23 it? -- target measurements, you know, because this enables  
24 us to make the decisions at this level of where we really  
25 should be spending our money. If we really want to get

1 rid of tires, we do it through RAC or some other way. RAC  
2 is really good. Let's incentivize. Let's make it easy  
3 for the jurisdictions to want to do it. Let's provide  
4 them a real opportunity, not some Mickey Mouse \$2,000.  
5 Who's going to want to apply for that, you know?

6 I like that much, much better, Madam Chair.

7 CHAIRPERSON PEACE: I guess that's why the  
8 direction -- the new direction we'll be going in considers  
9 that you can give more.

10 But even under the Kuehl program, I think we were  
11 even a little over-subscribed last time. So there are  
12 people out there that even want just the \$10,000. But --

13 BOARD CHAIRPERSON MARIN: Yeah, they're strapped  
14 for cash.

15 CHAIRPERSON PEACE: Yeah, my point too being --  
16 which is why I'm glad we're changing this for next time,  
17 because I know like for the City of L.A. or the County of  
18 L.A., they've complained they put -- "The majority of this  
19 money in this fund comes from us. But yet when we" --  
20 "and we have much bigger projects than a lot of other  
21 areas. But yet because we're a jurisdiction we could only  
22 get this little amount." So maybe doing it this new way  
23 will let them cover more of a big project.

24 BOARD CHAIRPERSON MARIN: And The other thing  
25 that I would like to bring up is, for some of these rural

1 areas it's far more expensive for them to transport, you  
2 know, the RAC than it would be for the urbanized areas  
3 where the RAC centers are -- or the producers of RAC are.  
4 So just the transportation costs alone, you know, we are  
5 offering really no incentive when it's far more expensive  
6 for them, because just the cost of the transportation of  
7 the material, you know, involves a higher amount.

8           So there might be a provision -- there might be a  
9 way where, you know, we acknowledge the fact that for some  
10 jurisdictions we may be a little bit more lenient only  
11 because we understand that it's going to be more  
12 expensive, yet the benefits are the same, you know, to the  
13 jurisdiction, but they're going to incur a higher cost.

14           So somewhere, somehow as we develop the criteria,  
15 there has to be an acknowledgement that while these are  
16 the guidelines, you know, they are just that, they're  
17 guidelines.

18           MR. GAUFF: Not to complicate matters further.  
19 But, like I said, Kuehl is authorized I think through  
20 '05-'06. However, the Board, if they'd like, could also  
21 put other monies toward, you know, RAC projects in a  
22 different -- in a separate -- aside from Kuehl program in  
23 '05-'06 if you choose to set aside funding.

24           CHAIRPERSON PEACE: Okay.

25           WASTE TIRE DIVERSION SUPERVISOR SIMPSON: Our

1 next category is Civil Engineering Grants and Contracts.

2           These contracts and/or grants to state and local  
3 governments will be used for project engineering,  
4 materials and other costs associated with civil  
5 engineering projects.

6           The projects can include light-weight fill,  
7 drainage layers, erosion control, or vibration dampening  
8 layers in light rail. The proposed funding is \$500,000 in  
9 '05-'06, one million five in '06-'07, and two million five  
10 in years '07-'08 through 9-10.

11           CHAIRPERSON PEACE: Okay. Excuse me on that one.

12           From the last reiteration that went up like a  
13 million dollars, didn't it? It went from 1.5 to -- and  
14 why was the reason for that? What was the reason for that  
15 big jump?

16           WASTE TIRE DIVERSION MANAGER DELMAGE: In the  
17 out-years you're talking about?

18           CHAIRPERSON PEACE: Yeah, '07-'08 through 9-10,  
19 did you --

20           WASTE TIRE DIVERSION MANAGER DELMAGE: As we were  
21 going through the process we had money that hadn't been  
22 assigned to a particular project. Based on discussions  
23 from the stakeholders, from staff, from Board members, we  
24 felt that that was the most appropriate place to put it to  
25 further emphasize our focus on RAC and civil engineering

1 projects.

2 CHAIRPERSON PEACE: I guess I was just curious as  
3 why you decided to increase that over the RAC grants. Was  
4 there a big project that was coming up or some --

5 WASTE TIRE DIVERSION MANAGER DELMAGE: It wasn't  
6 specific to a big project. But you actually can divert  
7 more tires through civil engineering than RAC.

8 CHAIRPERSON PEACE: Right.

9 DEPUTY DIRECTOR LEE: One other point on that,  
10 Madam Chair, is I think we mentioned when we asked the  
11 Board's approval this last month for some consideration of  
12 a couple of RAC and civil engineering related contracts.  
13 You know, basically staff interprets civil engineering  
14 projects to incorporate RAC, RAC being a subset of civil  
15 engineering. So the two really aren't mutually -- the two  
16 terms aren't mutually exclusive.

17 BOARD CHAIRPERSON MARIN: Good. I like that.

18 CHAIRPERSON PEACE: Okay.

19 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: The  
20 Tire-derived Products Grants.

21 This is a core element of our effort in a  
22 streamlined user-friendly grant based on actual usage of  
23 California tires. The grants will target crumb rubber  
24 end-products such as playground covers, tracks,  
25 recreational surfaces, and other rubberized products such

1 as sidewalks, top hats, landscape covers, weed abatement,  
2 tree wells, mulch and the like.

3           These grants effectively replace the playground  
4 cover, track and other recreational surface programs.

5           Proposed funding is for \$1,792,818 for Fiscal  
6 Year 2005-6, two million four for Fiscal Years 2006-7  
7 through 9-10.

8           The Assistance for Tire-Derived Product  
9 Businesses.

10           During the past couple of five-year plan  
11 workshops staff has been requested to provide technical  
12 and marketing assistance for tire-derived product  
13 businesses. A key element of our revised marketing effort  
14 is to provide capacity building of crumb rubber producers  
15 and other tire-derived product manufacturers.

16           The businesses have told us that they often  
17 mention a critical need for technical assistance, which  
18 could include help in designing an efficient plant layout,  
19 enhancing manufacturing processes, and streamlining  
20 distribution; second, marketing assistance in developing  
21 or adjusting small business marketing plans, the promotion  
22 cooperative marketing, ad placement or tailored media  
23 campaigns; and, third, helping out with the general  
24 business assistance in developing a business plan, helping  
25 out with personnel issues or business finance.

1           Proposed funding is a half million dollars in  
2 Fiscal Year '05-'06, 750,000 FY '06-'07, and a million in  
3 Fiscal Years 7-8 through 9-10.

4           CHAIRPERSON PEACE: Do we have any idea how many  
5 businesses you think will be interested in this?

6           WASTE TIRE DIVERSION MANAGER DELMAGE: We've  
7 actually been contacting a lot of people. And we feel  
8 that we may actually have an over-subscription our first  
9 year out. So we feel pretty comfortable that it's a need  
10 that's out there and that we'll have enough people coming  
11 to us that we'll be able to use that type of --

12          BOARD CHAIRPERSON MARIN: If I may. I need to  
13 find out what the difference would be between the  
14 assistance for tire-derived product businesses, the  
15 support of other market development activities, the state  
16 agency partnerships to promote the use of tire-derived  
17 products, and the business assistance program. And I'm  
18 sure that if we go through each one, you guys are going to  
19 tell me there's a difference. But it's all assisting  
20 businesses and I appreciate that. I do. And we want to  
21 do that. I just don't know if that -- if you put it all  
22 combined, is that really what we truly need, as opposed to  
23 putting it directly in the businesses of getting rid of  
24 the tires.

25          I need -- individually -- when you look at them

1 individually, I agree with the purpose of each one of  
2 them. When you put it all together, it's a hell -- I'm  
3 sorry -- it's a lot of money, it's a heck of a lot of  
4 money. And I need to be convinced that all of these  
5 little pockets of money are really absolutely needed.

6           DEPUTY DIRECTOR LEE: Understand, Madam Chair.  
7 But if we could like kind of discuss these individually.  
8 Then we'll come back and kind of address your question --  
9 you know, the collective question that you're asking  
10 there.

11           WASTE TIRE DIVERSION SUPERVISOR SIMPSON: The  
12 next category is outreach for RAC and civil engineering.

13           This is a component to influence state and local  
14 governments to increase the number of RAC and civil  
15 engineering projects within their jurisdictions. And it  
16 also ties to the social marketing campaign that we  
17 discussed just a couple minutes ago.

18           The Board will contract with a public relations  
19 firm to conduct specific outreach tasks and to coordinate  
20 other efforts designed to promote the use of RAC, TDA and  
21 other tire-derived products.

22           The Board will establish an advisory group  
23 comprised of local government associations, industry  
24 associations, academia, technical experts and Board staff.  
25 The group will identify areas of the state that have not

1 used RAC or TDA or civil engineering.

2 The proposed funding is \$400,000 for '05-'06  
3 through 9-10.

4 Other market develop activities. This is a  
5 combination of waste prevention and market development  
6 activities which include sustainable building, the  
7 recycled content product trade show, CalMax, WRAP,  
8 buy-recycle, decertification audits, and other waste  
9 prevention and market development activities.

10 In years past we have itemized each one of those  
11 programs. This year in an attempt to streamline and  
12 provide flexibility to WPMD we're proposing a single line  
13 item. The intent is to allow WPMD to control their  
14 programs regarding funding while demonstrating our ongoing  
15 commitment to our sister board activities.

16 The proposed funding is \$115,000 in '05-'06,  
17 \$650,000 in '06-'07, returning to \$500,000 for Fiscal  
18 Years 7-8 through 9-10.

19 The Tire Recycling Conference. The Board is  
20 planning to continue the biennial tire recycling  
21 conferences. The conferences provide attendees with  
22 up-to-date information on the Board's waste tire  
23 management processes. They provide a forum to discuss all  
24 aspects of waste tire management including hauling,  
25 manifests, cleanup, proper disposal, recycling

1 technologies and research and market development  
2 activities. The conferences offer a venue for Board  
3 members, staff and stakeholders to meet and focus on  
4 issues of common concern.

5 Proposed funding is \$100,000 in Fiscal Year  
6 '05-'06, 125,000 in '07-'08, and 110,000 in 9-10.

7 On to the RAC technical centers.

8 CHAIRPERSON PEACE: Do we know how many people  
9 attended that conference last year?

10 WASTE TIRE MANAGEMENT SUPERVISOR FUJII: You  
11 know, my contract manager's not here. We probably can get  
12 that information for you, Board Member Peace, and get back  
13 to you on that. I don't know that off the top of my head.

14 CHAIRPERSON PEACE: Okay.

15 WASTE TIRE DIVERSION MANAGER DELMAGE: I might  
16 add though it was well attended. And we had visitors from  
17 all over the United States and Mexico as well.

18 CHAIRPERSON PEACE: Great.

19 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: The RAC  
20 technical centers are located in Los Angeles and  
21 Sacramento. And they provide statewide technical  
22 assistance to local governments through direct  
23 consultation, conducting local and regional workshops, and  
24 providing informational materials. And they also have an  
25 Internet website.

1           Proposed funding for the tech centers is 350,000  
2 each year through 2010.

3           These State Agency Purchases Incentives Program.  
4 For many years we've encouraged sister state agencies to  
5 purchase or develop products made from scrap tire rubber.  
6 Staff continues to work with the Department of General  
7 Services and other state agencies to encourage and sustain  
8 purchases of products made from 100 percent California  
9 scrap tires. The staff is very interested in Board and  
10 public comment on how this effort can be better achieved.

11           Two concepts include the purchase of equipment  
12 for the Prison Industry Authority to produce molded rubber  
13 products for CalTrans and other California State and local  
14 jurisdictions. These products could include weed  
15 abatement mats, curb stops, top hats, spacer blocks and  
16 speed bumps. Staff is in continuing dialogue with PIA and  
17 CalTrans.

18           A second proposal could be a partnership with the  
19 Pavement Research Center soon to be located at the UCD  
20 campus. Discussion includes a contract to conduct the  
21 product testing for CalTrans that we spoke of earlier,  
22 funding a RAC test track, or providing grants or  
23 scholarships for engineering students to produce  
24 rubber-derived products.

25           Proposed funding is \$400,000 in year 5-6. It is

1 suggested to increase to one million for the purchase of  
2 equipment in '06-'07, and remain at 300,000 per fiscal year  
3 each year thereafter.

4 CHAIRPERSON PEACE: Is there anybody here that  
5 wanted to speak on that particular item?

6 WASTE TIRE DIVERSION MANAGER DELMAGE: We do have  
7 people that will speak to that as soon as we go ahead and  
8 finish off our section.

9 CHAIRPERSON PEACE: Okay.

10 WASTE TIRE DIVERSION SUPERVISOR SIMPSON: The  
11 Business Assistance Program. This was formally referred  
12 to as the Product Commercialization Grant Program.

13 From data collected at roundtable discussions,  
14 various five-year plan meetings and surveys, staff  
15 concluded that many more tires would be diverted if  
16 businesses in the waste tire recycling industry vertically  
17 particularly integrate their business operations and  
18 upgrade their equipment. It's also important to support  
19 the existing and new ground rubber markets that produce  
20 value-added rubber products. Businesses that want to  
21 improve their equipment and vertically integrate would be  
22 offered this grant program. This program would refund a  
23 percentage of the costs for equipment purchased to improve  
24 capacity and efficiency.

25 Funds would be available on a

1 first-come-first-serve basis. The maximum amount of these  
2 grants would be 250,000, and the grant application process  
3 would be streamlined. It would include an application to  
4 reserve funds for a project and then a follow-up request  
5 for payment.

6 Proposed funding is \$1 million for Fiscal Year  
7 2005-6 through 9-10.

8 Our final category is the Kuehl RAC Grant  
9 Program. SB 1346 (Kuehl) directs the Board to offer  
10 grants to local governments for the use of rubberized  
11 asphalt concrete.

12 PRC Section 42872.5 sets a subsidy of \$2.50 per  
13 ton of asphalt using a minimum of 20 pounds of crumb  
14 rubber per ton and prescribes that eligible projects range  
15 in size from 2500 to 20,000 tons for grant awards equal to  
16 6250 to \$50,000.

17 Proposed funding in this category is one million  
18 three for FY '05-'06.

19 And that concludes my presentation.

20 DEPUTY DIRECTOR LEE: Madam Chair, with your  
21 permission I'd like at this time to kind of try and circle  
22 back to address some of the Board Chair's concerns with  
23 regard to a few of these line items.

24 With regards to the assistance for tire-derived  
25 product businesses. Again, the staff's concept behind

1 this is that we are, rather than give -- you know, give a  
2 person a fish, we're going to try and teach them to fish.  
3 You know, one of the things that we heard from the  
4 stakeholders again is they could use more assistance in  
5 developing their market plans, in helping with some of  
6 their outreach activities. There is a successful  
7 prototype that's being -- that has been operated out of  
8 the RMDZ Loan Program. So there is some working  
9 experience with providing this type of help.

10 We thought this would be, again, a good way to  
11 kind of -- of diversify the base of the potential market  
12 people that are involved in the tire-derived product  
13 areas. So we thought the concept, you know, merited the  
14 Board's consideration.

15 Under the item, the Support for Other Market  
16 Development Activities. Again, we've rolled up a number  
17 of different items here. This covered the Board's  
18 sustainability efforts or support for the Board's  
19 sustainability efforts, among others. The Board has in  
20 the past been supportive of some of these other areas with  
21 regard to the trade show, WRAP, and similar type of items.  
22 We understand, I guess from, at the recent, you know,  
23 Board off-site there was some discussion about these. We  
24 have members of the Market Development staff that can  
25 provide some additional perspective if the Committee so

1 desires.

2 With regards to the state agency partnerships.

3 Again, I think one of the things that we have seen but our

4 working experiences is that, you know, trying to, you

5 know, try and selectively partner with agencies that we

6 feel that can advance, you know, our market development

7 cause is a worthwhile endeavor. I think that's what's

8 behind a lot of our work with CalTrans, you know, to date.

9 Similarly, I think Frank has mentioned in his

10 opening remarks, again, we see a potential partnership

11 with DGS; and specifically in the '06-'07 year with the

12 Prison Industry Authorities, we feel that this concept

13 which we will have stakeholders elaborate on is something

14 that again, you know, merits some attention.

15 And, finally, on the Business Assistance Grant

16 Program. Again, this is probably the closest thing that

17 was akin to what was considered to be the

18 Commercialization Loan Program.

19 In the past, that program had been -- you know,

20 one of the complaints generated against it again is that a

21 disproportionate amount of the money was going to a

22 relatively handful of, you know, more established players.

23 The grant programs we've described here are our attempt

24 again to try and spread the available funds out to a

25 broader base. And, again, you try to reduce the

1 individual's support to each individual jurisdiction in an  
2 attempt to get more people into the program.

3           So, Madam Chair, if that -- you know, hopefully  
4 with that kind of oversight you get a little bit better  
5 feel for, you know, at least what our initial thoughts  
6 were in trying to define -- bring forth these programs.

7           Mitch.

8           WASTE TIRE DIVERSION MANAGER DELMAGE: If I could  
9 add. While these are all individual line items, we plan  
10 on implementing them together. There are many crossovers.  
11 The programs you mentioned are divided. Essentially the  
12 tire-derived products are going to be for local  
13 governments; the partnerships with state agency, you know,  
14 at the state level; the business assistance is the  
15 private. But we want to work all of those together and  
16 focus them on developing the markets here in California.  
17 Because we can do whatever else we want; we're not going  
18 to solve this problem unless we have, not just markets  
19 that we're propping up, but viable, sustainable markets  
20 that will go on without our help.

21           One of the big changes that I think this Board  
22 has brought to the program is that we're going to be  
23 looking more closely at how well things are working and  
24 why -- you know, an agency that tries something and it  
25 works well, why aren't they using it again? We've had a

1 recent success from CalTrans where they sent a letter to  
2 all the districts requiring that when they consider  
3 light-weight fill projects, that they think of  
4 tire-derived aggregate first; and then if they don't use  
5 it, they have to tell why. Those are the types of things  
6 that we'll get the markets moving. We believe once they  
7 get a good foothold, they'll grow on their own.

8 BOARD CHAIRPERSON MARIN: Madam Chair.

9 One of the things that -- I totally agree with  
10 that, and I think it's fabulous that CalTrans saw the  
11 light. And we're hoping that DGS will do the same thing.  
12 And I am hopeful that when the state takes the lead, that  
13 other businesses will follow. I mean that -- I agree with  
14 that.

15 It's just that on the loan program -- so this is  
16 not going to be a loan. This is going to be a grant.  
17 It's going to be \$250,000 maximum. So it would be four --  
18 it could be up to four businesses in one year that would  
19 get -- so it's not a loan anymore?

20 DEPUTY DIRECTOR LEE: We are no proposing a loan  
21 program as part of this package. Again, the discussion  
22 within the stakeholder groups is, you know, certainly the  
23 grants have a lot more attraction than the loan program.  
24 And, again, the existing loan program is kind of RMDZ  
25 specific. Again, some of the stakeholders expressed some

1 concern about, you know, having to necessarily locate  
2 their businesses, you know, in the zones. This does not  
3 preclude people from -- you know, there is an existing  
4 RMDZ Loan Program with the loan sale. You know, our  
5 money's available at tire program -- you know, tire --

6 BOARD CHAIRPERSON MARIN: But if I'm a business,  
7 I'd much rather get a grant than a loan. Hello!

8 DEPUTY DIRECTOR LEE: Well, that was one reason  
9 why we didn't -- exactly didn't pursue it.

10 BOARD CHAIRPERSON MARIN: Well, let me -- Okay.

11 I'm just thinking. I have to rethink this  
12 business and program though, because -- I'll quit. Okay,  
13 okay. I agree. No, you're right. Go ahead.

14 CHAIRPERSON PEACE: Okay. I guess we're ready to  
15 hear from some of the speakers then.

16 MS. FRENCH: Our first one is Ron Allevato from  
17 TurboScape.

18 MR. ALLEVATO: Good afternoon, Madam Chairman,  
19 technical staff. My name is Ron Allevato, and I'm a  
20 member of Grubbe and Tierra Verde Industries. Our  
21 company has produced over 20 products -- recycled-type  
22 products in the past.

23 I'm also a consultant for TurboScape.

24 These companies have developed over 20 products  
25 from recycled materials. All these companies manufacture

1 and sell weed control products.

2 Grubble manufacturers a cold-molded tile very  
3 similar to the Duramat -- or Duratrim, I think it is  
4 called, product.

5 TurboScape provides a blow-in-place matting for  
6 weed abatement and erosion control. TurboScape has  
7 applied its product under guardrails here in Sacramento  
8 and has been selected by most CalTrans districts as the  
9 product of choice for weed abatement. A 10,000 square  
10 foot application of TurboScape is scheduled in Redding in  
11 three weeks. I think we'll use approximately 4,000 PTE's  
12 in eight hours.

13 There are two other companies that provide weed  
14 control products, such as U.S. Rubber Recycling and Rubber  
15 Sidewalks, as you know.

16 As an industry we invite competition. We thrive  
17 on competition and welcome competition into the arena. We  
18 must, however, protect our interests and those of our 60  
19 employees that we have.

20 I believe the concept of employing inmates has  
21 great merit, and I fully endorse it. However, such an  
22 opportunity to team with a prison authority should not be  
23 available to just one company.

24 A CIWMB grant which benefits only one company  
25 would not help either Grubble, Rubber Sidewalks,

1 TurboScape, or Rubber Recycling.

2 You have any questions?

3 CHAIRPERSON PEACE: No, I don't think I have any  
4 questions for you. I guess my question would be for  
5 staff.

6 When we picked this Welsh Products to do this  
7 agreement with the Prison Industry Authority, did we  
8 consider the other businesses that would have a similar  
9 product?

10 WASTE TIRE DIVERSION MANAGER DELMAGE: Well,  
11 actually, Madam Chair, we didn't pick Welsh Products per  
12 se.

13 CHAIRPERSON PEACE: Prison Industries did?

14 WASTE TIRE DIVERSION MANAGER DELMAGE: CalTrans  
15 has been working with Welsh Products for a number of  
16 years. And it was actually CalTrans who approached prison  
17 industry. And once that contact had been made, then they  
18 approached the Board as a possible mechanism for funding.

19 So that's how that transpired.

20 CHAIRPERSON PEACE: And if the Board didn't give  
21 Welsh Products money to do this or Prison Industries the  
22 money to lease this equipment, then what would happen?

23 WASTE TIRE DIVERSION MANAGER DELMAGE: Then  
24 Prison Industries would not pursue that particular  
25 project. Now, they might team up with somebody else and

1 try another project. I don't know. But if Prison  
2 Industry, looking at what it would cost them to get a new  
3 project up and running, has determined that if we were  
4 able to purchase the equipment and let them use it, that  
5 that would work for them financially.

6 BOARD CHAIRPERSON MARIN: Well, wait a minute.  
7 Let me backtrack here.

8 We want the State of California to use crumb  
9 rubber products. We want them -- we want to provide an  
10 incentive for the State of California. I mean we're just  
11 going back to what I just said, right? We want to provide  
12 an incentive for the State of California to take the lead.

13 Now, the State of California, CalTrans says, "We  
14 will do that." And we are actually going to have somebody  
15 do it. In this case it's going to be the Prison  
16 Authority, right?

17 Do we really want to tell them what to do and how  
18 to do it? Is that our position? Or do we -- the goal,  
19 the goal.

20 What I'm wondering is, with all due respect to  
21 the gentleman, whether you should be addressing CalTrans  
22 and/or Prison Industries, not the Board.

23 See, the goal of the Board is to divert as many  
24 tires as possible. One of the goals, and a very serious  
25 goal from my perspective, is to get the state government

1 to do it. The state government, meaning DGS or CalTrans.

2 That's our job.

3           And so how they go about delivering the contracts  
4 or putting the contracts out to bid or who they use, that  
5 is for CalTrans to decide. I'm just concerned that we  
6 would be getting into something if we say, "Well, you can  
7 only use this" or "you can only do that" or however your  
8 bidding process or your contract process. We are not  
9 CalTrans. We're not even the Prison Industry. I want  
10 them to get rid of as many tires as possible. I'm going  
11 to give them a contract to do that. How they choose to do  
12 that, it's their prerogative.

13           I would just -- I would just caution us that we  
14 begin to tell other people to use this particular company  
15 or not that company, we would be getting -- I just want  
16 to -- I want my colleagues here to understand what the  
17 issue is. And with all due respect, I appreciate your  
18 position. I really do appreciate it. I just don't know  
19 that this board for this particular issue should be --  
20 when we're talking about a contract that another agency  
21 would be giving, that we are to respond for that  
22 department. I don't think that that is our case.

23           And I would need to get a legal opinion on this.  
24 And I don't see any of my legal people here. But I would  
25 very, very much appreciate that -- I hope you understand

1 what I'm attempting to say.

2 MR. ALLEVATO: Yes. We would all, I guess, in  
3 the industry -- recycling industry be able to respond to  
4 the Prison Authority. I mean if they were looking for  
5 services, it would be anyone could participate even if the  
6 Board had given a grant to just one specific company.  
7 That's what I was concerned about, that maybe the Board  
8 would give a grant to one specific company to work with  
9 the prison authority. So okay.

10 Thank you.

11 BOARD CHAIRPERSON MARIN: If I may, Madam Chair,  
12 I would very much like to pose this question. And I will  
13 address it. And I will personally write you a letter.  
14 Let me consult that with our Legal staff.

15 I appreciate what you're saying. I don't -- I  
16 just don't know that the issue that you bring up is one  
17 that this Board needs to respond to.

18 MR. ALLEVATO: I see. Thank you.

19 BOARD CHAIRPERSON MARIN: Okay. I will  
20 personally send you a letter. Okay?

21 MS. FRENCH: Our next speaker is Terry Leveille  
22 with TL & Associates.

23 MR. LEVEILLE: Board member, Committee members,  
24 Board Chair, how are you doing again? This is Terry  
25 Leveille and TL & Associates.

1           You have a letter in front of you written single  
2 sided. Unfortunately, my measly -- I saw that, Nate -- my  
3 measly copier doesn't copy double sided. But I will do  
4 the best I can in the future.

5           This is a letter from Lindsey Smith.

6           BOARD CHAIRPERSON MARIN: Sit down now.

7           (Laughter.)

8           BOARD CHAIRPERSON MARIN: No, I'm kidding, I'm  
9 kidding.

10          MR. LEVEILLE: It is copied on soy ink, however.

11          BOARD CHAIRPERSON MARIN: Oh, good. Okay then.

12          MR. LEVEILLE: And I'm just going to paraphrase.  
13 I got a call from Lindsey yesterday. She sent me this and  
14 asked me that you be given a copy. This is relating to  
15 the same issue that we just -- that the previous gentleman  
16 discussed.

17          But she wanted to also congratulate staff for the  
18 program and the five-year plan once again and the  
19 tire-derived products grants, which is going to replace  
20 the playground cover, track and other recreational  
21 service. And she hopes that this might provide an  
22 opportunity in this new -- in this new plan to create  
23 standards regarding tire products, pertaining to rubber  
24 use per cubic foot, durability of product, regrindability  
25 of product, life-cycle, et cetera. And she wanted to

1 include that in her statement, that when you're developing  
2 this program, that these issues be considered as a  
3 possibility.

4 She also supported the idea of reformulating the  
5 Tire Product Commercialization Grant Program. And she  
6 wanted to make sure that there would -- might be guidance  
7 involved with acquiring commercial capitalization in those  
8 types of things. And I think that's kind of along the  
9 lines that you're going on to.

10 And she says, "Please clarify that value-added  
11 rubber product grants will apply to both new and existing  
12 companies."

13 She also wants to reiterate that she supports  
14 funds for marketing and encourage a program that would  
15 enlist Huell Hauser. He's the TV guy down in southern  
16 California that did a bit on rubber sidewalks. And she  
17 says every time they rerun the thing on PBS, she gets a  
18 bunch of calls. So she really likes Huell Hauser's  
19 program. It's called California Green.

20 Now, the more important issue -- and this is the  
21 one that the Board is possibly committing a million  
22 dollars to purchasing equipment from a company from out of  
23 state to manufacture these products for CalTrans. And  
24 that's the main concern, is that the Board is possibly  
25 committing a million dollars for that.

1           And I'm just going to read verbatim on this. And  
2 it just says regarding that -- "We applaud the efforts of  
3 CalTrans. But those of us who are stakeholders who have  
4 built our companies through hard work are eager to  
5 participate in any Board-funded agency enterprise. Not  
6 only are we competitive; we are progressive. And we are  
7 responsive to market needs.

8           "We looked to the state as our first opportunity  
9 for joint venture and partnership. This particularly  
10 applies to our current desire, the PIA, to develop an  
11 industry that will employ its prison population and supply  
12 product to CalTrans.

13           "But several considerations are at stake: 1)  
14 that our companies be given an opportunity to respond to  
15 this need; 2) that a procedure be in place in the future  
16 to make sure that enterprises, public, and are known to  
17 us. And that we reconsider an agency being supported by  
18 the Board to create a product that directly competes with  
19 our comparable product." And she talks about an agency  
20 from out of state.

21           "We are supportive of PIA's pursuit of meaningful  
22 employment for its population, confident we can help them  
23 create manufacturing opportunities and make products that  
24 meet the needs of CalTrans and other state agencies at the  
25 lowest costs without being detrimental. We are

1 encouraged" -- and she talked with a couple of people from  
2 PIA, Rita Mollica and Earl Shatzer. "We are encouraged by  
3 the conversations we had, and we look forward to working  
4 with them on this particular thing."

5           And her main concern is that this connection  
6 with, well, industries, which I think they have a  
7 representative here today, and CalTrans has been going on  
8 for a number of years without anyone's sort of knowledge,  
9 you know, sort of -- and whether or not that because  
10 Lindsey and others are just so focused on building their  
11 own businesses or what. But they're concerned about the  
12 Board entering into this -- I guess it would be an  
13 interagency agreement with PIA to procure this equipment  
14 from this out-of-state company for a product that may  
15 require a proprietary resin that may not be available to  
16 others in California. She -- at the same time she doesn't  
17 want to be -- she wants to be encouraging, and her  
18 conversations with the PIA were encouraging. And she  
19 hopes that the Board will understand this issue, and not  
20 that there's any kind of, you know, major concern that the  
21 Board wouldn't consider these things.

22           But she wanted to bring these things to your  
23 attention.

24           BOARD CHAIRPERSON MARIN: Well, my response to  
25 her would be the same. And I would -- I see our Chief

1 Deputy Director is here. So she's going to make sure that  
2 she follows up with our Legal staff.

3 I will -- my response would be the same, as Chair  
4 of the Board, with the concurrence of my colleagues. But  
5 I hope you appreciate what I just said. And I hope  
6 Lindsey understands what I'm attempting to say.

7 But I will request a legal opinion on that.  
8 Okay? And then we'll move forward.

9 BOARD MEMBER MULÉ: I just have a quick question.  
10 That million dollars though, is that going to go  
11 to PIA?

12 WASTE TIRE DIVERSION MANAGER DELMAGE: No, it  
13 will go to purchase equipment that we'll -- the Board will  
14 retain ownership of, PIA will use in the production of  
15 material.

16 BOARD MEMBER MULÉ: So we're going to purchase a  
17 million dollars worth of equipment, and then we are going  
18 to allow PIA -- and PIA, is it a -- excuse my ignorance --  
19 is it a nonprofit, is it part of a state agency?

20 WASTE TIRE DIVERSION MANAGER DELMAGE: There are  
21 representatives from PIA here that I believe can shed some  
22 light on that, because they're kind of a quasi-state  
23 agency. I've heard it described many different ways.

24 BOARD MEMBER MULÉ: And so then we wouldn't be  
25 providing the funding to CalTrans?

1 WASTE TIRE DIVERSION MANAGER DELMAGE: No.

2 BOARD MEMBER MULÉ: Okay. Thank you.

3 MR. LEVEILLE: It would be really for the  
4 purchase of the equipment. And that was the concern.

5 BOARD MEMBER MULÉ: Pardon me. You're --

6 MR. LEVEILLE: It was for the purchase of the  
7 equipment.

8 BOARD MEMBER MULÉ: Right.

9 MR. LEVEILLE: But I didn't know if it was the  
10 Board or PIA that was going to retain the rights of it.  
11 But apparently it is the Board. Still --

12 BOARD MEMBER MULÉ: Well, I was unaware of that  
13 as well. So I didn't know.

14 MR. LEVEILLE: And, you know, as I say, I think  
15 she's had good conversation with Prison Industry  
16 authorities. And I think that all of the people involved  
17 here from California want to -- you know, they just don't  
18 want to be sort of aced out of a possible remedy --

19 BOARD MEMBER MULÉ: Right. What you're saying is  
20 you would like to have the same opportunity to contract  
21 with PIA as this other company.

22 MR. LEVEILLE: And I think that the Board should  
23 take a look at the possible -- I mean, you know, spending  
24 a million dollars is not pocket change.

25 BOARD MEMBER MULÉ: I agree. Thank you.

1 CHAIRPERSON PEACE: Okay.

2 MS. FRENCH: Our next speaker is Barry Takallou  
3 with CRM Company.

4 MR. TAKALLOU: Madam Chair, please. Barry  
5 Takallou with CRM Company Compton.

6 I just want to congratulate the Board for a  
7 wonderful job they have done in five-year plan and  
8 congratulate staff. I'm very, very pleased with what I  
9 read on the five-year plan.

10 I have one -- just one general comment. It looks  
11 like there's lots of focus on RAC and rubber-molded  
12 products. That's great. We love it. As a rubber  
13 producer, I think it's a good thing to do.

14 I just want to be forward thinking about it. We  
15 used to have seven rubber producers in this state. You  
16 are down to four. And market is increasing. The demand  
17 for crumb rubber is going up. And, you know, I can see --  
18 I don't really see a new investment is coming to this  
19 state. Because of the workmen comp issue we have, high  
20 energy costs, it's not like -- I don't think somebody  
21 would come brand new and invest tons of money in this  
22 state and open up a new recycling facility.

23 I notice in some of these things some times I'm  
24 getting a feeling, you know, being existing company is not  
25 a good thing to be. These are the companies that

1 struggled through tough times, energy crisis, workmen  
2 comp, and we stayed on in business recycling California  
3 tires. So I just want to remind you just think about,  
4 market is great, is going up, CalTrans finally is coming  
5 to talk about increasing their usage, the RAC projects --  
6 we're looking at 99 projects Nate just mentioned. All of  
7 these things going to require lots of rubber.

8           So just want to remind you we may face the  
9 shortage of crumb rubber -- California crumb rubber in  
10 this state. And the best option is the people who really  
11 can expand quickly their existing companies. Because to  
12 go through the permitting process and start from scratch,  
13 you're looking at least two years. The existing  
14 companies, they can ramp up and increase their capacity  
15 rapidly.

16           So just I want you to consider this supply and  
17 demand, think about the balance of the supply and demand.

18           CHAIRPERSON PEACE: Thank you.

19           MR. TAKALLOU: Thank you.

20           MS. FRENCH: Our next speaker is Michael  
21 Blumenthal with RMA. And after him will be Scott  
22 Smithline with Californians Against Waste.

23           MR. BLUMENTHAL: We're going to try something a  
24 little bit different here today. And actually not talk at  
25 the same time, but talk about the same issue at the same

1 time.

2 Scott, do you want to --

3 MR. SMITHLINE: Oh, go ahead. I'll let you carry  
4 it.

5 MR. BLUMENTHAL: Okay. I'm going to carry.

6 First, the issue that we want to talk about  
7 together is what used to be called product  
8 commercialization, now with the grants. I'd like to  
9 suggest that rather than focus on putting money in to  
10 making more ground rubber, the true way to really get the  
11 markets going and to support the marketplace here is to  
12 increase or to create demand for the ground rubber.

13 What we have seen across the country for the last  
14 20 years is the industry has been trying to be pushed by a  
15 supply side economic model. That has failed. It's failed  
16 every time, every place, and California's no different.

17 What has worked across the country has been  
18 demand pull. Creating the demand for the product, the  
19 means of production, if you will, is the only true way to  
20 get the state out of the doldrums that it current exists  
21 in. And this is a long term project.

22 Part of the things that you are doing, some of  
23 the programs that you have will address some of the  
24 issues, for example, testing. It takes one to three years  
25 for a company that makes a rubber product to test the

1 ground rubber. It can be the best quality ground rubber  
2 in the world. But it's going to take a company six months  
3 to a year to try the different compounds with the rubber  
4 content. Then they have to try the molding process and  
5 find the right percentages. That takes time. Few  
6 companies have those kinds of resources. I think that  
7 kind of program from the state makes a lot of sense.

8 But because it takes such a long time and there's  
9 few companies that can do it, we believe the state needs  
10 to focus on companies that are making the end products  
11 now. And if there isn't enough -- and I'm sure there is  
12 not enough demand right now -- look into the creation of  
13 companies that can use both recycled content from rubber  
14 and from plastics. You can kill two birds with one stone.  
15 There is technology out there that is making rubber,  
16 plastic molded products. There's good demand for this  
17 stuff. But there's none here in California. We think  
18 that the focus of the program needs to be on creating  
19 self-sustaining demand so you don't have to keep on  
20 subsidizing the marketplace.

21 BOARD MEMBER MULÉ: Mr. Blumenthal -- excuse me,  
22 Scott.

23 Could you give us some examples of where this is  
24 being done elsewhere?

25 MR. BLUMENTHAL: There's rubber plastic in a

1 couple different states. Florida is one. There's a  
2 couple -- there are a couple -- I can come up with a list  
3 of names and companies

4 BOARD MEMBER MULÉ: And would you share that  
5 information with our staff, because I think that would be  
6 very helpful.

7 MR. BLUMENTHAL: Of course. I'd be glad to.

8 BOARD MEMBER MULÉ: Okay. Thank you.

9 MR. BLUMENTHAL: Now Scott's going to speak.

10 MR. SMITHLINE: Good afternoon. Scott Smithline,  
11 Californians Against Waste.

12 I'd like to echo in sentiment everything Mr.  
13 Blumenthal just said. But just to be clear, I think we'll  
14 go ahead and submit a joint written letter so it will be  
15 clear exactly what it is that we're agreeing upon. And  
16 really conceivably proposing to the Board and the staff --  
17 and I don't think it necessarily requires moving money  
18 from one box to the next. I think what we're really  
19 talking about is some principles to be focused on and  
20 maybe even some specific -- even actionable items that can  
21 be taken looking at identifying manufacturers.

22 I mean the producers of crumb in this state have  
23 proven that they're very effective when there is demand.  
24 And the Barry Takallou's of the world have been very  
25 successful at that. And if they -- if we're able to

1 stimulate this demand and they need help to ramp up, I'd  
2 be the first standing in line to ask you to support them  
3 to do that as well. But, frankly, I'm not convinced  
4 that's the problem that we have right now.

5 So CAW and Rubber Manufacturers Association have  
6 been having some dialogue with this, and we would like to  
7 present you with at least a joint letter on some  
8 recommendations. And we apologize that it wasn't  
9 forthcoming prior to this, but it happens when it happens.

10 MR. BLUMENTHAL: Yeah, we didn't have enough time  
11 at lunch to come up with all the things that we needed.

12 (Laughter.)

13 MR. BLUMENTHAL: If we had another half an hour,  
14 I'm sure we could have.

15 BOARD CHAIRPERSON MARIN: Okay. So let me  
16 understand. What you are saying, that we will -- we ought  
17 to support the creation of the demand. How do you propose  
18 we do that specifically?

19 MR. BLUMENTHAL: There are basically two  
20 different tacts you have to take. One is to identify:  
21 Are there companies in California right now that are  
22 making products, either out of rubber or plastic, that can  
23 use recycled rubber content?

24 Once they been identified, they get approached.  
25 They get -- basically the question is: You, Ms. Marin,

1 who have a company manufacturing this product. Can you  
2 put rubber into it? You're going to say, "Gee, I don't  
3 know. We're going to have to test it." Next line is:  
4 "Well, you know, the Waste Board has a grant that you can  
5 apply for. By the way, here's an application already  
6 filled out, please sign it, that will get you the grant so  
7 that you can do the actual testing."

8           Now, there's -- you know, if it does not work  
9 out, it doesn't work out. But at least we'll know if it  
10 can or cannot. And if you find that you have some  
11 technical problems, perhaps we can come up with another  
12 grant, another research program to overcome some of these  
13 problems to allow you to use rubber in your current  
14 manufacturing process.

15           That's one half.

16           Other half is: I don't think there are enough  
17 companies out here in California that make rubber products  
18 that can use recycled content. So you have to create some  
19 new companies. The RMDZ's program that you have is an  
20 ideal incubator for this, an ideal situation, where you  
21 can pull your resources. There is this technology. I'll  
22 come up with a list of the viable technology that is out  
23 there. And you go to these zones, you put the grants in  
24 there. You create a product something like a rubber  
25 plastic molded product. Roofing tiles is one.

1           Right now there's a company up in -- it's  
2 either -- it's in Alberta. They're making a rubber molded  
3 roofing shingle, and they're bringing lots of it down here  
4 to the U.S. And they're bringing a finished product. I'm  
5 not going to get into arguments about anything else. But  
6 they're bringing finished product from Alberta into the  
7 U.S.

8           No the reason why you can't do it right here.  
9 You have a large housing market here. It's a dynamic  
10 market. It's a good product.

11           But it may need a jump start. So going through  
12 one of these RMDZ's -- that's going to be a problem, I  
13 need to write it down -- would help you get a product into  
14 the market that already has a demand, with an existing  
15 technology not presently found in the state.

16           MR. SMITHLINE: If I could just make one final  
17 comment.

18           One thing that RMA and CAW do agree on is that  
19 the demand that ultimately we want to strive for is  
20 value-added markets. And that is a long-term process for  
21 the State of California. And that there might be interim  
22 uses of crumb rubber that we need to rely on different  
23 size crumbs, different size shreds. Whatever it is,  
24 ultimately we agree this is a long-term process. We want  
25 to get to the highest value-added product. And so that's

1 what we plan on trying to help the staff and --

2 BOARD CHAIRPERSON MARIN: Well, since you brought  
3 this up, do you think that the Business Assistance Program  
4 as we see it right now, as we have it described, would  
5 that be the best source of money?

6 MR. BLUMENTHAL: I think there's money in the  
7 current program that could be redirected towards these  
8 programs that enhance and create demand, yes.

9 BOARD CHAIRPERSON MARIN: But would that be the  
10 target? Are you thinking -- I mean I know you didn't  
11 solve the world's problem in your lunch, but you should  
12 have --

13 (Laughter.)

14 BOARD CHAIRPERSON MARIN: -- if you're coming to  
15 this Board.

16 You know, at the end of the day these charts need  
17 to be filled. And if you're -- I'm just -- from what  
18 you're describing, would it be the \$1 million or the  
19 \$500,000 on the assistance for tire-derived product  
20 businesses?

21 MR. BLUMENTHAL: Well, if you look at the  
22 definition of business assistance programs, how can you  
23 assist a business, that can be defined many different  
24 ways. What we're trying to suggest is that the assistance  
25 be focused at the creation of demand.

1 BOARD CHAIRPERSON MARIN: Yeah, I got it.

2 MR. BLUMENTHAL: And if it needs research, if it  
3 needs a specific kind of test, it needs a different piece  
4 of equipment, so that a company can go out in the market  
5 and buy recycled rubber -- recycled content rubber, I  
6 think that certainly goes a long way to creating a demand  
7 pool marketplace.

8 BOARD CHAIRPERSON MARIN: Okay. Let me go to  
9 staff.

10 Is the solution -- the brilliant solution that  
11 they have come up with, does that fit into one of these  
12 categories?

13 DEPUTY DIRECTOR LEE: Well, that's exactly what I  
14 would like to kind of discern if we could, Madam Chair.

15 Michael and Scott, again, we've got three  
16 programs in here that we're basically trying to target  
17 businesses with. Do you have concern -- are you talking  
18 about rolling up all three of these or are you just  
19 talking about the business assistance line item? What's  
20 your opinions with regards to the other two programs that  
21 we have in here, the assistance for tire-derived product  
22 businesses and the -- what was the other one?

23 MR. SMITHLINE: This is Scott Smithline.

24 I see them all as potential vehicles. I don't  
25 know that there's going to be one answer, one loan program

1 or one grant program that's going to solve this. I think  
2 there might be, as Mr. Blumenthal said, various needs. I  
3 certainly see the business assistance program as one  
4 potential vehicle. But, you know, they all could -- I  
5 don't know, as I said earlier, that it's necessarily  
6 changing which box the money is in right now, at least  
7 from my perspective. It's just taking the expertise that  
8 we have and trying to share it with the staff and the  
9 Board and maybe helping provide another option for it to  
10 direct those funds.

11 BOARD CHAIRPERSON MARIN: Unfortunately for us,  
12 we have to put it in one of these boxes, you know,  
13 unfortunately. We need to find a home for that concept  
14 that --

15 MR. SMITHLINE: I'm not currently suggesting a  
16 change to this proposed budget. Are you --

17 MR. BLUMENTHAL: No I'm not proposing a change.  
18 I think we can work within the --

19 CHAIRPERSON PEACE: If you found a business that  
20 could substitute some of the material that they were using  
21 for recycled rubber, we could use any of these boxes for  
22 that.

23 MR. BLUMENTHAL: I think so.

24 WASTE TIRE DIVERSION MANAGER DELMAGE: If I might  
25 add. I totally agree with what was said up there. I

1 believe that -- it's our intention that we implement these  
2 plans in a way that meets those exact needs. We want to  
3 work very closely with the RMDZ people. They've already  
4 got an incentive program out there.

5 CHAIRPERSON PEACE: The Markets people?

6 WASTE TIRE DIVERSION MANAGER DELMAGE: And the  
7 markets people. I see all of these things working in  
8 harmony together to do exactly that, enhance the markets.  
9 A part of what's going to enhance the markets -- you know,  
10 we've moved the money toward the end of the markets to  
11 pull it along.

12 However, we still need a little money in the  
13 back-end because part of the issue with the markets is  
14 that it costs so much right now to produce some of the  
15 ground rubber and some of the pre-product we need. And so  
16 we want to get that part of it going efficiently and get  
17 the prices down at the same time that we're incentivizing  
18 the purchase of these products over the public sector,  
19 both at the state and local level.

20 So I see -- and I look forward to working with  
21 both these gentlemen on this to clarify that. But it  
22 feels like it's the exact same thing that we want to do.

23 MR. BLUMENTHAL: Understand that when we talk  
24 about this long -- and what Scott mentioned was true.  
25 This is a long-term project. It will take two, three,

1 four years before you can get a company to go through all  
2 the different testing protocols that they have to. All  
3 right? The different programs that you have up there can  
4 all be integrated into a comprehensive program that is  
5 focused towards a goal.

6           The goal is to get the -- we can use these one,  
7 two, three years in the interim to help companies prepare  
8 their products, to do the testing, to have a business  
9 plan, to understand what is out there. Because everything  
10 has to be layered on top of each other. And the ultimate  
11 goal will be to get the material into the market. And  
12 currently you have the capacity to help all these  
13 different facets.

14           Now, I have comments about different -- other  
15 aspects, so I will start at the beginning and repeat:

16           On the National Products Stewardship dialogue,  
17 there's the ongoing EPA Resource Conversation Challenge.  
18 They -- fortunately they have changed the name. It's now  
19 known as the Scrap Tire Working Group. They dropped that  
20 C word. So that is ongoing. There are going to be two  
21 meetings coming up in the near future.

22           In April, at April 20, 21, 22, at the Tire  
23 Industry Association Conference there's going to be some  
24 preliminary work on the tire group.

25           And then at the Southeastern Regional Scrap Tire

1 Conference in May, may 11th, there's going to be the  
2 national meeting of the Tire Working Group. It used to be  
3 called the Tire Cluster. Thankfully they changed the name  
4 "Cluster" to "Working Group". So we're going to have the  
5 entire working group in Little Rock, Arkansas. I think  
6 that would be an excellent opportunity for staff to  
7 interact and exchange ideas.

8           And certainly if California wants to take the  
9 lead in certain issues, the other folks are going to  
10 listen and probably will be happy to let them do so. But  
11 you have a preexisting infrastructure. No need to  
12 recreate the wheel.

13           Second item, social marketing campaign. A large  
14 component of that is what we call tire care and  
15 maintenance. Rubber Manufacturers Association has had a  
16 long-standing program of education on tire care and  
17 maintenance. We've had a -- we even have a National Tire  
18 Care and Safety Week -- yes -- and it's coming up in  
19 April. And we're looking to do something in conjunction  
20 with the Scrap Tire Conference in Ontario, an educational  
21 program. We look forward to and would like to offer the  
22 resources that we have, to integrated it in with whatever  
23 kind of programs you come up with on tire care and safety  
24 information. We have brochures. We have public -- what  
25 do you call those? -- public announcements. I mean we

1 have the whole package. And you can certainly use it and,  
2 you know, put the word "California" as opposed to  
3 "National" in it. There's no need to go out and recreate  
4 that type of information, and we would look forward to  
5 working with you on that.

6 Working on the assistance programs, we think that  
7 that's very good.

8 I do have a comment about the money going to the  
9 California prisons. You're spending all this money to  
10 beef up the infrastructure here in the state to private  
11 companies. And then you give a grant to create  
12 competition within the state using basically prison labor.  
13 And that does not leave a very level playing field. Other  
14 states have tried this. Florida tried it, the State of --  
15 "Show Me" State of Missouri has tried it, and they all  
16 ended those programs.

17 They found that even with the lower labor costs,  
18 programs still did not work out all that well. So the  
19 history hasn't been all that good around the country. And  
20 then you create an uneven playing field after giving  
21 literally hundreds of thousands of dollars to companies  
22 here in the private sector now to create its own  
23 competition. It seems counterproductive.

24 And those are my comments. Thank you for your  
25 time.

1           DEPUTY DIRECTOR LEE: Madam Chair, I would like  
2 to make one additional -- one final comment with regards  
3 to Mr. Smithline's and Mr. Blumenthal's proposal. I think  
4 since we'll be needing to come back to the Board on a  
5 variety of these things to kind of work on the performance  
6 measure and some other issues, I think there's certainly  
7 time available in this next week or so to get together  
8 with these gentlemen to try and refine their proposals and  
9 make sure that we understand, you know, what they're  
10 suggesting.

11           I have Mitch's assurance here that our plan  
12 already accommodates at least in concept, you know, what  
13 these gentlemen are proposing. We have a great deal of  
14 respect for them both and, like I say, we certainly want  
15 to incorporate, you know, their ideas in this plan to the  
16 extent possible. And I think we can still do so and keep  
17 to the timetable that we've established to try and get  
18 this back before the Board no later than May for a final  
19 approval.

20           CHAIRPERSON PEACE: Okay. I still have a couple  
21 questions.

22           We talk about the RMDZ loans and businesses of  
23 course that can apply for those loans if they are in an  
24 RMDZ designated area. But we talk about this business  
25 assistance program thing here. If we were to make that a

1 loan program, would we be able to coordinate that with our  
2 loan -- with our RMDZ loan staff and be able to still  
3 offer low interest loans?

4 WASTE TIRE DIVERSION MANAGER DELMAGE: Yes, we  
5 could coordinate with RMDZ Loan Program. However, the  
6 business would have to be located within a zone.

7 CHAIRPERSON PEACE: Well, that's the question I'd  
8 ask. If they weren't in a zone, can our loan staff still  
9 handle that work or would you have to handle it? I mean  
10 how would we --

11 WASTE TIRE DIVERSION MANAGER DELMAGE: Only if we  
12 fully funded the loan. In an earlier concept, what we  
13 were looking at is the loan program of providing the loan  
14 money, and then the tire fund providing the forgivable  
15 portion of it. However, because it's the loan money and  
16 it's the loan program, it would have to be located within  
17 a zone.

18 DEPUTY DIRECTOR LEE: Madam Chair?

19 CHAIRPERSON PEACE: Yeah.

20 DEPUTY DIRECTOR LEE: To add a little additional  
21 information on that. You know, staff considered various  
22 loan proposals. One of them was a just straight  
23 continuation of the RMDZ Loan Program. Another one was  
24 looking at this concept of a forgivable loan program,  
25 which in consultation with our Legal Department we

1 indicated it was not a desirable or viable concept for us  
2 to pursue.

3 Certainly still on the table is to run a separate  
4 loan program. But, again, it appears that with the  
5 existing staffing and market development, you know, that  
6 we've been told that again they would not be able to write  
7 a separate program up there, and so this would be  
8 additional. The program would have to be likely  
9 administered out of the Tire Program. And, again, that  
10 would require some -- certainly at the very minimum some  
11 reorganization of our existing staff.

12 CHAIRPERSON PEACE: Okay. Because what I was  
13 thinking when Scott Smithline and Michael Blumenthal were  
14 talking about finding these other businesses and trying to  
15 get them to use recycled rubber instead of another, you  
16 know, product, mix it with plastic or whatever, what if  
17 one of those businesses was not in an RMDZ loan but we  
18 wanted to give them a loan to do it? So you're telling me  
19 we couldn't have our loan people then do that; all they're  
20 going to work on is RMDZ loan?

21 DEPUTY DIRECTOR LEE: As I understand it, Market  
22 Development has -- you know, their staff works on the RMDZ  
23 Loan Program and that they aren't staffed again to  
24 consider running a complementary loan program that wasn't  
25 RMDZ related.

1           CHAIRPERSON PEACE: Okay. Because I have to tell  
2 you I am still very concerned about this Business  
3 Assistance Program. And for one thing, I want to change  
4 the name of that darn thing because it keeps getting me  
5 confused with the assistance of the tire-derived business.  
6 We need -- whatever this comes out to be, we need to  
7 change the name of that.

8           But, you know, I really -- and I know you've  
9 heard me say this before -- I really don't like these  
10 grants. You know, I really don't like giving away free  
11 money. I would much like it if it was a loan program and  
12 not just a give-away money program.

13           And especially I don't like the fact that you're  
14 going to give the funds away on a first-come-first-served  
15 basis. I mean they're going to be standing in line down  
16 there in the middle of the night to be first in -- I don't  
17 even know how you would do that.

18           The other --

19           WASTE TIRE DIVERSION MANAGER DELMAGE: Well,  
20 actually one of the things we've been considering is when  
21 you look at the assistance for tire-derived product  
22 businesses, what we were looking at is we would have a  
23 consultant that specialized in tire businesses that would  
24 go in and look at their operations or books and whatnot,  
25 and work with them to determine what they need. Do they

1 need a better business plan, a better marketing program,  
2 or might they need better equipment? And we could  
3 actually make a third component rather than a separate  
4 grant program. It could be a third component of this  
5 assistance program where the consultant working with the  
6 business determines that they need to add a piece of  
7 equipment or upgrade a piece of equipment and it could be  
8 done that way.

9 CHAIRPERSON PEACE: Then of course they're taking  
10 into account the market demand and everything else  
11 involved.

12 WASTE TIRE DIVERSION MANAGER DELMAGE: Correct.

13 CHAIRPERSON PEACE: I think, without thinking  
14 about this more, that I would like to see that be like a  
15 third component of this other thing instead of a whole  
16 separate -- instead of a whole separate grant program, to  
17 make that another component of the assistance to the  
18 tire-derived businesses.

19 WASTE TIRE DIVERSION MANAGER DELMAGE: Okay.

20 CHAIRPERSON PEACE: So it's not going to be like  
21 it was at all in the past where we have everybody  
22 competing for -- so we're going to actually go out and  
23 help the businesses, say, "This is what you need and this  
24 is the amount of money we're going to give you to fulfill  
25 that need."

1 BOARD CHAIRPERSON MARIN: And then incorporate  
2 what Scott and Robert just said.

3 WASTE TIRE DIVERSION MANAGER DELMAGE: Okay.

4 BOARD CHAIRPERSON MARIN: See, to me, it's the  
5 combination of -- I totally agree with what she just said.  
6 I think she said what I said before. And if we put this  
7 in the components of what Scott and Bob were saying, I  
8 think that you have a bigger package.

9 DEPUTY DIRECTOR LEE: So if I could just for  
10 clarification, Madam Chair, again we're talking about  
11 eliminating the business assistance program -- grant  
12 program per se, rolling that into the tire-derived product  
13 grant program and with perhaps some modification pursuant  
14 to our discussions with CAW and RMA?

15 CHAIRPERSON PEACE: Yeah, to me that makes more  
16 sense. And of course this would be for new --

17 WASTE TIRE DIVERSION MANAGER DELMAGE: Yeah,  
18 assistance for tire-derived products business --

19 DEPUTY DIRECTOR LEE: I misspoke. The assistance  
20 for tire-derived businesses.

21 CHAIRPERSON PEACE: And of course this would be  
22 for existing businesses and also any new businesses?

23 WASTE TIRE DIVERSION MANAGER DELMAGE: Correct.

24 CHAIRPERSON PEACE: Yeah, I think I would like  
25 that a lot better.

1           And I do have to say -- I don't know if anybody  
2 will agree with me or not -- but when it comes to the  
3 state agency partnership with the PIA, I mean I do agree  
4 with what Mr. Blumenthal said, and personally I don't like  
5 it. I would like to stay out of that. I don't know how  
6 the rest of the Board members will feel about that.  
7 But --

8           BOARD CHAIRPERSON MARIN: What do you mean?

9           CHAIRPERSON PEACE: Is giving the million dollars  
10 to the PIA to buy the equipment. I've kind of heard  
11 things too, like Mr. Blumenthal mentioned, that a lot of  
12 other states have tried it and it hasn't worked out. I've  
13 also kind of heard things in this state where it doesn't  
14 always work out. And I'm just I think more inclined not  
15 to -- not to do that. Leave all the money in there for  
16 state agency, helping them buy products and stuff, but not  
17 particularly do this thing with the PIA.

18          DEPUTY DIRECTOR LEE: I understand.

19          BOARD CHAIRPERSON MARIN: I don't know that I had  
20 seen this particular project before. Is this new? I  
21 don't remember having the discussion of this particular  
22 project.

23          WASTE TIRE DIVERSION MANAGER DELMAGE: It was  
24 mentioned only briefly at the last go-around. We did  
25 brief some of the Board members on the details as they

1 came available.

2 BOARD CHAIRPERSON MARIN: Okay. Well, I  
3 personally don't know. And I just -- I probably need to  
4 be briefed personally on that, because I was -- everything  
5 that I had said was based on a much broader perspective  
6 and understanding of where we were. So --

7 CHAIRPERSON PEACE: No, when I had the meeting  
8 with -- you know, with the people representing the PIA, it  
9 sounded wonderful and they assured me that they weren't  
10 going to be competing with any other businesses. Now I'm  
11 kind of hearing that, well, that's not necessarily the  
12 case. So for me personally, I think we need to be really  
13 careful about that, and I don't particularly like that  
14 component of the state agency tire-derived product  
15 partnership thing.

16 Okay. So how do we want to handle that? You  
17 want to get briefed on it and then we'll let --

18 BOARD CHAIRPERSON MARIN: Well, this is a plan,  
19 right? This is -- this workshop, and this was to get some  
20 feedback; this is not the final. I appreciate what you're  
21 saying. I am unaware of the whole program. I may not see  
22 the things exactly as the Chair is seeing them right now.  
23 I don't know. And I would like to be briefed.

24 DEPUTY DIRECTOR LEE: Madam Chair, I believe the  
25 PIA representatives are here if you would like to get a --

1           BOARD CHAIRPERSON MARIN: That would be a brief,  
2 brief brief. I'd much rather -- if I may, unless somebody  
3 else wants -- I personally would like to have a very  
4 different presentation. I don't think you will do justice  
5 in a two-minute presentation.

6           BOARD MEMBER MULÉ: Right. And if I could just  
7 interject. Thank you.

8           I was -- I met with the PIA folks. And based on  
9 my meeting, one of my concerns that I brought up to them  
10 was the unlevel playing field issue that Mr. Blumenthal  
11 brought up. And I did receive calls from at least two  
12 companies that voiced their concerns regarding this issue.

13           And I'm surprised, Madam Chair, that you were not  
14 briefed. And I strongly recommend that you have your own  
15 meeting and get the full -- get all the facts, you know.  
16 I just think it would be very helpful for you.

17           Thank you.

18           BOARD CHAIRPERSON MARIN: Thank you.

19           WASTE TIRE DIVERSION MANAGER DELMAGE: And I just  
20 wanted to -- we actually did brief Scott Harvey because  
21 you were unavailable at the time.

22           BOARD CHAIRPERSON MARIN: Oh, I'm sorry about  
23 that.

24           WASTE TIRE DIVERSION MANAGER DELMAGE: We did try  
25 to get to everybody.

1           BOARD CHAIRPERSON MARIN: Okay. And Scott is not  
2 here. You should just fire him.

3           (Laughter.)

4           BOARD CHAIRPERSON MARIN: Don't put that in  
5 there.

6           He's putting it in there.

7           CHAIRPERSON PEACE: So are we ready to wrap this  
8 up?

9           DEPUTY DIRECTOR LEE: Yes, Madam Chair.

10          CHAIRPERSON PEACE: Okay. So I guess you will be  
11 coming back and briefing us and giving us some more  
12 information on that state agency partnership with the PIA.  
13 You'll be giving us some more information from the  
14 mosquito control, the thing about how that's going to  
15 work. I mean couldn't we just give them the money and go  
16 spray the tire?

17          (Laughter.)

18          CHAIRPERSON PEACE: But you're going to come back  
19 with that. You're going to come back with looking into  
20 what Mr. Takallou had said about doing maybe some  
21 continuing research and development on, you know, the  
22 better mix designs that would be better for residential  
23 uses. And also, again, you're going to be looking at the  
24 border study item a little bit more.

25          DEPUTY DIRECTOR LEE: All that is correct, Madam

1 Chair.

2 CHAIRPERSON PEACE: Okay. Thank you. Thank you.

3 WASTE TIRE DIVERSION MANAGER DELMAGE: Thank you

4 all for being here all day.

5 BOARD CHAIRPERSON MARIN: Thank you.

6 BOARD MEMBER MULÉ: Thank you. Great job.

7 (Thereupon the California Integrated Waste

8 Management Board, Special Waste Committee

9 workshop adjourned at 3:00 p.m.)

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2 I, JAMES F. PETERS, a Certified Shorthand  
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11 I further certify that I am not of counsel or  
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14 IN WITNESS WHEREOF, I have hereunto set my hand  
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